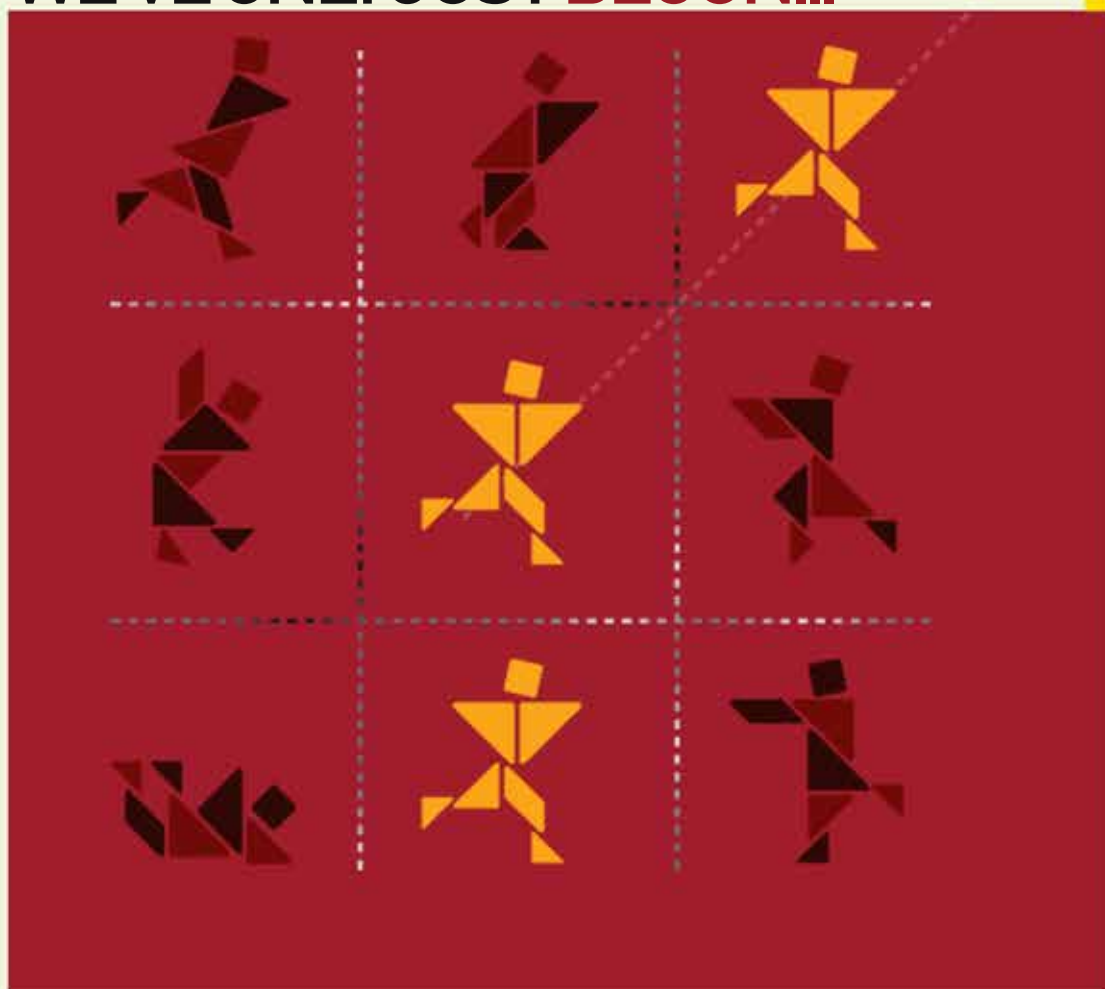




VENUS REMEDIES LIMITED  
ANNUAL REPORT 2013-14

WE'VE ONLY JUST **BEGUN...**



AT VENUS REMEDIES LIMITED, OUR  
PRINCIPAL ASSET IS **KNOWLEDGE**.

KNOWLEDGE OF PATIENT NEEDS  
PRODUCT CHEMISTRIES AND THE  
SECTORAL LANDSCAPE, HELPING US  
CREATE NICHE PRODUCTS.

KNOWLEDGE OF REGULATORY  
DOCUMENTATION, RESULTING IN  
WIDER AND QUICKER MARKET ACCESS.

THE RESULT IS THAT WE GREW OUR  
REVENUES BY 14.03% IN 2013-14  
AND SYNTHESISED PROSPECTIVE  
BLOCKBUSTERS THAT ARE EXPECTED  
TO ACCELERATE GROWTH FROM THIS  
POINT ONWARDS.

IN VIEW OF THIS, WE HAVE A  
SINGULAR MESSAGE FOR OUR  
SHAREHOLDERS.

## MILESTONES

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WE'VE ONLY JUST BEGUN...

**Research-based** pharmaceutical company.

**Headquartered** in Panchkula, India.

**Manufacturing** units in Panchkula and Baddi (both India) and Werne (Germany).

**Certified** for ISO:9001, ISO:14001 and OHSAS:18001 and accriadtetd with international GMP certifications from 20+ countries such as EU-GMP,

Colombian GMP, Australian GMP, Suadi Arabian GMP and many more.

**Listed** on the Bombay and the National Stock Exchanges.

#### **Mission 2015**

**To establish** Venus as an innovator company.

**To create** intellectual property wealth of USD 1 billion.

**To ensure** the commercialisation of intellectual property rights of the Company worldwide.

**To establish** Ronem as a ₹100 crore brand.

**To ensure** Venus' presence in at least 60 countries.

**To make** Elores, Septiloc-Ampucare, Potentox and Vancoplus global products.

**To make** every department an independent profit centre.

**To achieve** new heights through the creation of the Venus Industrial Complex.

**To develop** and sustain a highly motivated and empowered team for the realisation of our dream of an independently progressive society.

**To be** a globally admired pharmaceutical company epitomising world-class quality and innovation.

BUILT AROUND  
**RESEARCH.**

DRIVEN BY  
**OPPORTUNITY.**

**1,350**

Team managing business operations

**3**

Manufacturing units delivering 75+ products

**60<sup>nations</sup>**

Global presence supported by 11 marketing offices

**100<sup>patents</sup>**

Patents received for global, remedy-defining formulations

Among the world's  
**500<sup>largest</sup>**

pharmaceutical manufacturing companies.

Among the world's  
**10<sup>leading</sup>**

fixed dosage injectables manufacturers.

Among India's  
**20<sup>leading</sup>**

pharmacos in terms of R&D expenditure.

Among India's top  
**50**

pharmaceutical companies.

# THIS IS OUR SCORECARD FOR 2013-14.

## Revenue

Revenue from operations increased by 14.03% from ₹4,613.38 million in 2012-13 to ₹5,260.56 million

## EBIDTA

EBIDTA scaled by 12.44% from ₹1,184.88 million in 2012-13 to ₹1,332.28 million

## Profit

Profit for the year grew by 6.66% from ₹571.45 million in 2012-13 to ₹609.50 million

## EBIDTA margin

EBIDTA margin stood at 25.88% against 25.68% in 2012-13

## Net margin

Net margin stood at

11.59% against 12.39% in 2012-13

## ROCE

ROCE stood at 28.50% against 30.20% in 2012-13

## Patent

Received 100+ patent approvals

## Authorisation

Received 518 market authorisation approvals

## GROWING CONSISTENTLY OVER THE YEARS.

### Turnover (₹ million)

2010-11	3,566.80
2011-12	4,051.87
2012-13	4,613.38
2013-14	5,260.56

### Net profit (₹ million)

2010-11	474.79
2011-12	500.29
2012-13	571.45
2013-14	609.50

### Earnings per share (₹)

2010-11	52.01
2011-12	51.35
2012-13	54.21
2013-14	53.27

### EBIDTA margin (%)

2010-11	25.62
2011-12	26.28
2012-13	25.68
2013-14	25.33

### EBIDTA (₹ million)

2010-11	913.72
2011-12	1,064.82
2012-13	1,184.88
2013-14	1,332.28

### Cash profit (₹ million)

2010-11	653.87
2011-12	740.96
2012-13	889.07
2013-14	995.59

### Book value per share (₹)

2010-11	270.12
2011-12	327.56
2012-13	372.07
2013-14	408.52

### Net margin (%)

2010-11	13.31
2011-12	12.35
2012-13	12.39
2013-14	11.59

# SHOWCASING OUR CORE ASSET



WE'VE ONLY JUST BEGUN...

**Launched** Elores in India (January 2013), now being administered to about 2,000 patients each month.

**Received** approvals from Guatemala and Myanmar as per marketing authorisation dossiers; the product is set to be launched in 2014-15.

**Signed** an MoU with Austell Laboratories to exclusively out-license Elores in South Africa. Thereafter, the market authorisation dossier received consent for being fast-tracked, facilitating product launch within 9-12 months compared to the industry average of three to five years; Elores is expected to be launched by mid-2015.

IN 2013-14, WE STRENGTHENED OUR BUSINESS BY SECURING GLOBAL EXCLUSIVITY FOR ELORES, OUR FLAGSHIP RESEARCH PRODUCT TO COMBAT ANTIMICROBIAL RESISTANCE CAUSED BY MDR, ESBL PRODUCING STRAINS, WHICH PUT US IN AN ATTRACTIVE POSITION TO WIDEN OUR GLOBAL MARKETING FOOTPRINT.

**Filed** market authorisation dossiers for Elores in Europe (13 nations) and in 15 other countries across the globe; the Company expects to launch the product in six key European nations by FY17.

**Entered** into a deal with pharma giant Goodwills Co. Ltd, which provides exclusive rights for marketing Elores in Korea.

**Out-licensed** the manufacture of Elores to a South Korean pharmaceutical company to address a US\$ 25 million opportunity in that country.

**Within 15 months** following its India launch, Elores reported revenues in excess of ₹5 crore; as the Company's footprint widens, this product is poised to take in incremental revenues and emerge as a global blockbuster.

## Vision

**We are** in the business of preserving and improving human life through innovation.

**We exist** to provide value to our customers.

## Elores – A satisfying journey

**30%** Reduction in treatment time using Elores

**07** Time for development (years)

**50%** Reduction in treatment cost using Elores

**46** Patent approvals received by the product

**23** Nations in which registration for marketing is in progress



Domestic business  
– looking up and looking good

15

Research products  
launched in India up  
to March 31, 2014

3,572

Revenue, 2013-14  
(₹ million)

12.93%

Revenue growth over  
2012-13

# DEEPENING OUR INDIA PRESENCE

HAVING ESTABLISHED A STRONG BASE IN INDIA WITH GENERIC PRODUCTS, VENUS REMEDIES IS LAUNCHING NICHE RESEARCH PRODUCTS TO ACCELERATE REVENUE GROWTH.

**Introduced** Elores in 150 major hospitals across Indian metros and showcased it to 300 decisive opinion-makers; we expect the product to enjoy shelf space across leading hospitals in Tier-I and II cities, reinforcing Elores' identity as a ₹200 crore brand in five years

**Launched** Ezenus, our first OTC product in North India, which earned ₹50 million in its first full year; we intend to introduce the product in Central India during FY15

As these priorities transform into realities, our domestic business is expected to grow at a healthy pace over the next few years.

## Vision

**We ensure** product quality, safety, reliability and excellence.

**We manufacture** medicines for patients, not for profit; profit follows.



INITIATIVES



SOUTH AFRICA  
FRANCE

WIDENING OUR  
**GLOBAL  
PRESENCE**

**Entered** into an exclusive marketing agreement with Adcock Ingram for Potentox; Adcock Ingram commands a 10% share of the South African pharmaceutical market and this alliance is expected to transform our product into a US\$ 10 million asset in just three years

**Entered** into more than 60 alliances with pharmaceutical majors in Europe, Africa, the Middle East, South-East Asia and Australia ensuring seamless post-registration launch of our products

**Developed** a patent-protected product using an unfringable process, which translated into the forging of new alliances – with Lupin for marketing in Japan and with Teva for marketing in Canada

VENUS REMEDIES MARKETS NICHE GENERIC PRODUCTS ACROSS 20  
COMMERCIALY-ACTIVE GLOBAL DESTINATIONS.

**Received** a marketing authorisation (MA) approval from the French regulatory body for Meropenem; signed a marketing deal with Mylan to market Meropenem in France; received MA approvals from Italy and the Gulf and the Company expects to launch in these geographies during FY15

**Formulated** a marketing authorisation dossier for a Swiss client which is expected to reap dividends from the second half of the current fiscal

**On the back** of these initiatives, Venus Remedies expects to emerge commercially active across 40 global destinations – double the existing number – in just three years.

#### Vision

**We work** with passion, commitment and enthusiasm.

**We believe** in hard work, productivity and continuous improvement.

Our international business – for today and tomorrow

**1,689** Revenues,  
2013-14  
(₹ million)

**20** New geographies in which  
Venus is expected to enter  
in FY15

**16.40%** Revenue growth  
over 2012-13

# WE INTEND TO GROW PROPRIETARY RESEARCH PRODUCT REVENUES



## Dear shareholders

Even as I could have started this discussion with a review of our financials, I have selected to cast a light on far significant aspects that can progressively enhance value for the stakeholders.

Fiscal 2013-14 was a watershed as we launched our flagship Elores, marking the beginning of an era during which we expect to develop a basket of pathbreaking solutions that will bolster our revenues and profits.

Over the past seven years, were invested in developing and launching Elores, which found its way into 150 of the most reputed hospitals in India, gaining favour with nearly 300 opinion-makers. The

feedback was momentous: more than 20 patients who had not otherwise shown any responsiveness to medication showed visible improvement following exposure to Elores, representing an unquestionable affirmation of its product efficacy.

At Venus Remedies, we reported other satisfying developments as well during the year under review.

**Trois**, a research product that is part of our analgesic basket and launched

in FY13, gained traction as the team successfully showcased its effectiveness and received a favourable response from foremost Indian gynaecologists and obstetricians.

**Ezenus**, our first OTC product that had been launched at the close of FY13, generated commendable numbers despite being marketed selectively in Northern India.

Although the contribution of these products remain relatively small, we are confident that with growing awareness, volumes could rise, vindicating our research direction.

In another exciting development, we did exceedingly well with Meropenem, a complex carbapenem, gaining a dominant market share across 10 countries in Europe. Consequently, Venus Pharma GmbH, our European arm reported a surplus for the first time ever.

### Emerging optimism

At Venus Remedies, we expect our research products to extend deeper into the domestic and international markets.

Elores is expected to generate better numbers as the product reaches leading hospitals pan-India. Following product approvals from Myanmar and Guatemala, we are confident of launching Elores in these countries by 2014-15, carving a sizeable share in those geographies.

Ezenus availability is expected to be extended across Central India in 2014-15 following its success in North India.

Meropenem reach is expected to widen to 26 countries in the next 24-36 months, boosting business volumes.

### Partners-in-growth

Despite a large basket of niche products with patent approvals from regulated and pharmerging markets, we need to invest adequate financial and management resources to place these products on pharmacy shelves across the world. We responded with the partnership model for niche molecules, and out-licensed and entered into marketing alliances for key molecules (Elores and Potentox) expected to deliver attractive returns from FY16 onwards.

Besides, we formulated a blueprint for the launch of 15 new research products; we expect to launch one more product in 2014-15 in India and select international geographies followed by the annual launch of two products thereafter. We will continue to analyse relevant marketing strategies, which should increase business-enhancing partnerships and graduate the Company from 28% of our 2013-14 revenues from our proprietary research products to a projected 70% in three years.

### Message to shareholders

The big message that I wish to send out to our shareholders is that Venus Remedies will deliver value in an attractive way over the foreseeable future, vindicating the faith that dedicated shareholders have reposed in us.

*Warm regards,*  
Pawan Chawdhury



Venus was ranked 68th in the top 100 list of 'India's Best Companies to Work For; a study conducted by the Great Place to Work Institute, the only North Indian company to have made it to the list. In the previous survey, the Company was placed at the 72nd slot.

### Vision

**We encourage** and respect individual initiative, ability and creativity to develop people as the source of our strength.

**We practice** honesty, integrity and ethics in all aspects of our business and strive to be the best corporate citizen.



**2013**  
**MAY**

Signed a deal with Korean pharma giant, Goodwills Co. Ltd to exclusively market of Elores.

**2013**  
**JUNE**

Received a Mexican patent for the novel antibiotic product Potentox, which provides an exclusivity period for the drug till 2025.

**2013**  
**JUNE**

Emerged among the 100 leading 'Best Companies to Work for' in India as per a study conducted by Great Place to Work Institute; Venus Remedies was the only North Indian pharmaceutical company to figure in the list.

**2013**  
**JULY**

Received a patent for Elores from the Japanese Patent Office, ensuring its exclusivity in this lucrative market until 2025; the product is expected to be launched in Japan by end-2015.

**2013**  
**JULY**

Received GMP approval for all nine facilities in Ukraine, a PIC/nation (Pharmaceutical Inspection Convention/Cooperation Scheme), emerging as the only company to receive this approval for a large volume parenteral facility in India.

**2013**  
**AUGUST**

Received GLP accreditation; also received accreditation

from National GLP and norms on Organisation for Economic Co-operation and Development (OECD) Principles by National GLP and Compliance Monitoring Authority (NGCMA).

**2013**  
**AUGUST**

Received a marketing authorisation approval from France for Meropenem, a generic broad spectrum antibiotic injectable. Subsequently, Venus signed a non-exclusive marketing rights deal with generic giant Mylan to sell Meropenem in France.

**2013**  
**NOVEMBER**

Received marketing authorisation approval from Italy for its generic broad-spectrum antibiotic injectable,

Meropenem, via the DCP (decentralised procedure) route. Venus aims to launch this product in Italy in 2015.

**2013**  
**NOVEMBER**

Received marketing authorisation for Meropenem in the Gulf nations following an approval from the Saudi Food and Drug Authority (SFDA). Venus became the first Indian company to receive this approval and intends to launch this product in Saudi Arabia in 2015.

**2013**  
**DECEMBER**

Received the coveted UBM India Pharma Award for its flagship Elores in the 'Excellence in Product Development' category.

**2013**  
**DECEMBER**

Signed a MoU with South African pharmaceutical firm Austell Laboratories to exclusively out-license its flagship Elores, in South Africa.

**2013**  
**DECEMBER**

Received the 'Innovative 100' award for Elores, a novel research product designed to fight 'superbugs'.

**2013**  
**DECEMBER**

Venus Medicine Research Centre, the research wing of Venus Remedies, signed a MoU with Baba Farid University of Health Sciences to undertake collaborative research projects and academic programmes

**2014**  
**JANUARY**

Received a patent from the United States Patent Office for Achnil, a once-a-day painkiller injection

**2014**  
**FEBRUARY**

Received GMP certification from Indonesia for its Baddi unit

**2014**  
**FEBRUARY**

Received marketing authorisation approval from Myanmar for its flagship product Elores, where the product is likely to be launched in 2015.

# BUSINESS

# ACHIEVEMENTS



## 01 | SPACE

The Company is among the leading fixed dosage injectables manufacturers in the world – a challenging and exciting formulation space. Our product efficiency and efficacy have translated into a consistent increase in revenues, margins and profits.

## 02 | SEGMENT

The Company's 75-plus product portfolio caters to diverse high-growth therapeutic segments (oncology, anti-infective, neurology, cardiology, orthopaedic, pain management, paediatrics and surgery).

## 03 | STUDY

The Company's competence in developing pioneering healthcare solutions has translated into the accumulation of 100+ international patents.

## 04 | SUPERIORITY

The Company's passion for quality is reflected in its global and national endorsements; its three manufacturing facilities have received 20 GMP approvals; its R&D unit received GLP accreditation in August, 2013.

## 05 | SPREAD

The Company's expansive footprint covers 60+ nations (regulated and emerging); its marketing alliances with reputed international pharmaceutical companies have facilitated product penetration.

## 06 | STABILITY

The Company is increasing its patented product portfolio, strengthening its presence in the high-margin critical care segment supported by focus on research.



THE COMPE

TENCE MATRIX

01

Among the top-10 fixed dosage injectable manufacturers globally

100+

Patents received from regulated markets

28%

Proportion of revenue from research products

0.38

Debt-equity ratio as on March 31, 2014



# OUR ROBUST BUSINESS MODEL



## Geographic focus

The Company is focused on establishing a strong research-led presence in regulated markets, which will ensure strong volumes and value-addition.

## Niche focus

The Company has selected to focus on the highly complex, high-investment injectable dosage forms, a segment addressed by only a handful of pharmaceutical players.

## Positioning focus

The Company has selected to be present in niche high-growth therapeutic segments with the objective of emerging among the top-three global players in each of the segments.

## Liquidity focus

The Company maximises plant utilisation by manufacturing generic products – for itself and other pharmaceutical players (on a contract manufacturing basis); the cash flow is used for development, approval and marketing niche research-based formulations.

## Research focus

The Company has selected to develop 'remedy-defining' formulations in areas that demand in-depth knowledge of product chemistry and marked by low competition.

## Marketing focus

The Company has adopted a two-pronged strategy – direct marketing and partnering large pharmaceutical companies (case-to-case basis), with the objective to reduce the time and investment needed in creating a large distribution network.



# KEY PRODUCTS

## Elores

The global systemic antibacterial market is set to reach ~₹44 billion by 2016, growing at a 7.2% CAGR. Elores is capable of addressing multidrug-resistant ESBL/MBL producing gram-negative infections, translating into 25% of this market - a US\$ 11 billion opportunity in about six years. The prevalence of antibiotic-resistant pathogens is most rampant in Latin America, a US\$ 50 billion pharmaceutical market growing at a CAGR of approximately 15-20%.

Elores addresses 40% of the US\$ 275 million antibiotic market in South Africa and Venus is projecting to generate cumulative revenue worth US \$20 million within five years of its launch in South Africa; the Company intends to capture 15% market share (US\$ 45 million) in South Korea in three years following launch.

## Potentox

The global hospital-acquired bacterial infections market was estimated at US\$ 9 billion a few years ago. Potentox addressed almost 50% of this market. The hospital-treated infections (HTI)

market is projected to grow at 2.7% annually across the major economies.

In intensive care units (ICUs) across Mexico, the overall cost of a single healthcare-associated infection episode is estimated at US\$ 12,155. Healthcare-associated infections are the third most common cause of mortality (Source: WHO). Mexico alone spends 70% of its health budget to address hospital-acquired infections.

## Vancoplus

The global antibacterials market which is slated to reach approximately US\$ 64 billion by the year 2018 with a growth rate of 7.5%. In USA alone, MRSA is associated with a staggering 90,000 infections and an estimated 19,000 deaths annually. Vancoplus addresses the hospital treated infection market which is growing at a rate of 2.7%. By taking sales of competitor brands in 2013 as addressable market, the opportunity size for Vancoplus stands at US \$ 2,610 million.

Vancoplus has received an overwhelming response from the medical fraternity in India since it was launched in the country four years ago and the product is growing with more than 25% CAGR in India.

## Trois

Arthritis has emerged as a serious, debilitating problem in India. As per

the latest reports, almost 15% of the Indian population is suffering with this crippling disease. Understandably, we felt the pressing need to develop an alternative solution for rheumatic disorders and related infections and Venus came up with a novel topical nano emulsion "Trois" to relieve arthritic pain. At present, there are many biological products available in the markets for treating arthritis and related conditions, but they have many side effects associated with them.

## Taxedol

Taxedol is ready to use single vial formulation available in three strengths 20mg/0.5 ml, 80mg/2 ml and 120mg/3ml. Our one-vial formulation requires a single dilution step in suitable infusion solutions prior to administration. Thus, offering a cost-effective solution to patients. The formulation comprises of Docetaxel in nano particle form which gives 11% higher cancerous cell killing potential as compared to existing form of Docetaxel.

This 'ready-to-use' single vial will not only weed out the competition from other players in the market but will hopefully capture a significant share of the ₹1, 500 crore Indian oncology industry, which is speculated to show a steady growth over the coming few years.

## Achnil

More than 1.5 billion people the world over are afflicted with chronic pains.

The global market for analgesics is estimated to reach US\$ 60 billion by 2015. An estimated 3-4.5% of the global population suffers from neuropathic pain, the incidence of which increases with age.

While the US represents the largest global market for pain management, NSAIDs account for 28% of the global painkiller market, the size of which was estimated at US\$ 10.22 billion in 2013. The share of injectables in the US market was 15%, making it a market worth US\$ 1.5 billion and expected to grow at a CAGR of 3.1%. The market for Achnil is expected to reach US\$ 1.75 billion by 2018.



# GLOBAL MARKETS

5

Presence in key regulated markets: the US, Japan, Europe, South Africa and Australia

360+

Patents filed in regulated markets  
United States: 10 ■ Japan: 5  
Europe: 259 ■ South Africa: 9  
Australia: 8 ■ Others : 70

100+

Patents received  
United States: 5 ■ Japan: 2  
Europe: 73 ■ South Africa: 9  
Australia: 3 ■ Others : 10



Elores was recognised as the 'Best Innovation of 2013' by a team of experts from Stanford Business School (USA), IC2 University of Texas (Austin) and Lockheed Martin Foundation in collaboration with the Department of Science and Technology under the Science and Technology Innovation Programme 2013. It was also selected among the top-eight technologies to be commercialised in the US in 2013.



# MANAGEMENT DISCUSSION AND ANALYSIS

## The economic scenario

The global economy remained subdued as worldwide GDP growth decelerated for the third year running – 3.9% in 2011 to 3.1% in 2012 and 3% in 2013. Most developed economies addressed the reality through appropriate remedial fiscal policy action. Besides, a number of emerging economies, which had already experienced a debilitating slowdown in the past two years, encountered new domestic and international headwinds during this period.

Global recovery still remains subdued with significant downside risks cropping-up. Among existing risks, those related to emerging market economies have increased. The rapid normalisation of the American monetary policy and a renewed tendency to avoid risks on the part of investors could complicate things further.

Looking ahead, global growth is

projected to strengthen to 3.6% in 2014 and 3.9% in 2015, with much of the impetus coming from the advanced economies (Source: IMF April 2014).

India's economic growth of 4.7% in 2013-14 was marginally higher than that of the previous year. The slowdown was primarily a result of an unsupportive external environment, regulatory policy logjam, structural constraints and unbridled inflation. Despite these challenges, there were positives which provided a foundation for resurgence:

**The current** account deficit contracted; the fiscal deficit target was met

**India implemented** concrete measures to narrow external and fiscal imbalances, tighten its monetary policy, usher in structural reforms and address market volatility

**India built** upon its foreign exchange reserves to reduce vulnerability

## The pharmaceuticals space

The role of medicines in improving the health of millions across the globe has never been more important. Many countries are moving towards universal health coverage, ensuring an easy access to medicines and healthcare facilities.

### Global

As the world passes its fifth year since the beginning of the slowdown, macroeconomic indicators are demonstrating signs of improvement, though more slowly than previously forecasted. Austerity measures undertaken by some governments, especially in Europe, continue to be enforced in the area of healthcare spending.

Total global spending on medicines is expected to exceed USD one trillion for the first time in 2014 and reach almost US\$ 1.2 trillion by 2017. The decelerated growth over the next five years reflects reduced spending across many developed markets facing austerity measures.

The existing gulf is expected to be widened between spending levels on medicines for specific diseases in the developed and the pharmerging markets by 2017.

Populations in developed markets are

increasingly aged or obese, driving spending in oncology and diabetes, which is becoming conspicuous in pharmerging markets as well.

Specialty pharmaceuticals that treat complex diseases and are often administered by specialist doctors and hospitals will grow in importance in developed markets, while spending in pharmerging markets will be driven more along traditional therapeutic lines.

Emerging markets are estimated to report double-digit growth over the next five years and contribute more than 70% of the global pharmaceutical market growth.

Interestingly, developed markets are also expected to play a significant role in the global pharmaceutical market growth. There is up to US\$ 148 billion in new growth coming from recent and upcoming new launches. This demonstrates that new product launches have the potential to report profitable growth and make up for revenues lost as a result of patent expirations (recent and upcoming).

### India

Over the last decade, the country's pharmaceutical sector carved out a significant global share by leveraging strengths and enhancing regulatory and technical maturity. Currently,

India exports drugs to more than 200 countries and vaccines and biopharmaceutical products to about 151 countries. Globally, India ranks third in terms of volume and 14th in terms of value.

The Indian pharmaceutical industry is fragmented with the top-10 companies contributing to 41% of total sales; the next 10 companies contribute 22% of sales while the remaining contribute 37% to sales (Source: Business Standard, February 17, 2014).

The sector reported attractive growth led by robust US generics sales (>40% CAGR, 33% CAGR on constant currency) supported by the patent cliff and INR depreciation (18%) over the past three years. The market share of Indian pharma (~10%) remained low in the US generics market despite a dominant share in US filings (~35% in DMFs and ~30% in ANDAs). However, improving prescription shares and quality filings could drive growth.

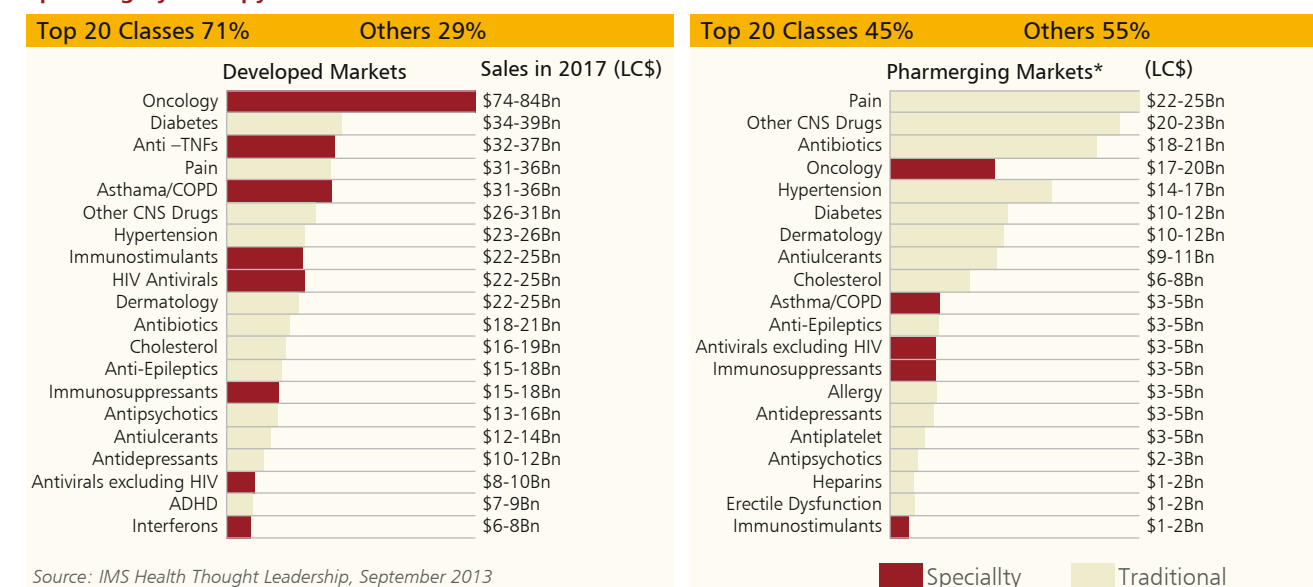
The domestic formulations market with annual sales worth ₹720 billion in FY13 was ranked third in terms of volume and a tenth in terms of value globally. It maintained a steady 12.5% CAGR during the past five years, despite sluggish economic conditions.

India has the highest generics medicine

## Global Spending and Growth, 2008-2017

2007	\$731Bn
2008-2012	\$234Bn
2012	\$965Bn
2013-2017	\$205-235Bn
2017	\$1,170-1,200Bn

## Spending by Therapy Area in 2017





penetration at over 99%, with equal market access for large and small players of both domestic and foreign origins.

The branded focus of the domestic formulations market helped deliver steady profitable growth over the last five years despite the fragmented nature of the industry and the price competition.

Attractive demographics, a growing demand-supply gap in the Indian healthcare services industry and low government spending provided significant opportunities to private players. Industry sales are expected to report a 11% CAGR over the next five years on the back of a rising in-patient capacity and the increasing incidence of lifestyle-related diseases. Estimates suggest that an incremental investment of ~US\$ 70 billion is required over the next 10-15 years to address the additional demand for healthcare services. A CII-PwC report titled Changing Landscape of the Indian Pharma Industry states that the key drivers of growth will be demand from rural (14.5%) regions and Tier-I centres (10%).

Antimicrobial resistance

In a little over 70 years, since the discovery of penicillin in the 1930s, antibiotics have been degraded from ‘miracle drug’ and ‘life-saver’ to useless junk. As a huge number of doctors have discovered that they are constantly being pushed backward in their battle against microbes. Every now and then, they are faced with newer, stronger bugs that actually thrive on medicines which were effective not so long ago.

AMR is a worldwide phenomenon with new resistance mechanisms emerging and spreading rapidly. The World Health Organisation (WHO) has declared antibiotic resistance as a serious worldwide public threat. According to the latest WHO report, antibiotic resistance has been observed in close to 114 countries across the globe.

Interestingly, TB has returned with renewed vigour in the industrialised countries from where it had almost disappeared. In 2012, there were about 450,000 new cases of multidrug-resistant tuberculosis (MDR-TB) and extensively drug-resistant tuberculosis (XDR-TB) has been identified in 92 countries.

Antimicrobial resistance (AMR) is resistance of a microorganism to an

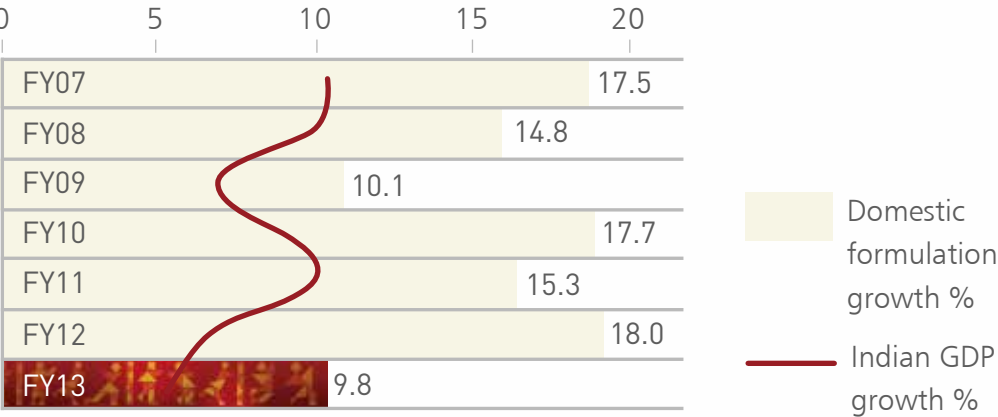
antimicrobial drug that was originally effective for treatment of infections caused by it.

Resistant microorganisms (including bacteria, fungi, virii and parasites) are able to withstand attack by antimicrobial drugs, such as antibacterial drugs (e.g., antibiotics), antifungals, antivirals, and antimalarials, so that standard treatments become ineffective and infections persist, increasing the risk of communicability.

There are a number of reasons for this phenomenon Prolonged prescription of antibiotics in medical condition where they are not strictly required, indiscriminate use of the latest and most powerful antibiotics where a lesser drug would suffice, failure of many patients to complete a course of antibiotics even in serious illnesses and over-the-counter sales of strong antibiotics which are permitted only to be sold with prescriptions.

Venus is the only Indian pharmaceutical player that has focused on this segment and created a product basket comprising 13-15 products; 50% of which are niche products that have received patent approvals from across the globe.

Domestic formulation growth v/s Indian GDP growth





# OUR RESEARCH OBJECTIVE IS TO DELIVER ATTRACTIVE RETURNS.



Venus possesses a strong pipeline of 25 niche products and 100+ patents from regulated and pharmerging markets, the result of sustained R&D initiatives.

**However**, we recognise that these achievements would be meaningless if we cannot generate commensurate returns. The result is that the Venus R&D team assumed the onus of developing asset yields and generating attractive returns, making a meaningful contribution to the Company's growth.

**The** successful domestic launch of our flagship Elores was the highlight of FY 2013-14. Our initial feedback suggests that this product will soon emerge as a blockbuster, kickstarting the 'monetising our paper' strategy.

**We** have about four to five products in the pipeline, which have attained global standards and are ready to be launched across the globe. Our target is to take another six or seven research products to that level in FY15, creating a robust pipeline of worldwide marketable products. For this, we invested in cutting-edge technology which facilitated in-house clinical trials, expediting our product benchmarking with global standards.

**Moreover**, we are working on various out-licensing opportunities with leading global pharmaceutical players. We strengthened our R&D team by getting on board more doctorates (comprising

60% of the team as opposed to 35% a year ago) and are confident that their expertise and experience in global regulatory standards will establish the global technical superiority of our products. We are also optimistic of receiving approvals to launch another research product in India in 2014-15, which will strengthen year-on-year growth.

**In** 2013-14, we made rapid strides in strengthening our niche, research-based product pipeline. We are at an advanced stage in the development of a multi-drug resistance antibiotic in oral dosage form; our existing products are all in injectable forms. This is a new development in the global antibiotic space and we hope to file the patent for this product in select geographies.

**Moreover**, we developed products protected by patents through uninfringable routes for globally-respected pharmaceutical companies, which should yield attractive returns over the coming years.

**We** are optimistic that these initiatives will strengthen our global presence leading to an appreciable growth in revenues and profits over the coming years.



**AT** Venus, differentiation is the hallmark of our R&D initiatives. Over the years, we have created a unique world-class research programme designed to deliver a sustainable pipeline of value-accretive drugs.

## Highlights, 2013-14

**Received patent** approvals from 11 of the EU nations – for Potentox and Vancoplus in Europe; for Trios in South Africa for Ampucare in Vietnam and for Elores in Japan

**Certified as a** government-approved testing laboratory

**Strengthened** the R&D team by recruiting a number of PhDs

**Signed** an MoU with Baba Farid University of Health Sciences to undertake collaborative research projects and academic programmes

## Overview

Synthesising remedy-defining formulations has been at the core of Venus' success over the last decade, making it one of the most exciting research-driven pharmaceutical companies in the emerging economies.

The Company's emphasis on innovation has been spearheaded by the Venus Medicine Research Centre (VMRC), which focuses on developing novel solutions that address challenging ailments.

## Mission, 2015

**To be a** globally-admired innovator company by promoting research at different international innovation platforms and consortia

**To develop** and sustain a highly motivated, empowered and dedicated team of 100 scientists

**To ensure** that work remains a source of rejuvenation instead of being stressful or burdensome

**To update** the R&D pipeline with CTD level of documentations for 10 innovative products with IPR protection

**To assist** the marketing team in establishing brands through value-addition

**To assist** drug regulatory authorities towards upholding intellectual property rights in order to enhance research product visibility across 60 countries and pursue consequent commercialisation

**To get** NABL/PTL/GLP-accreditations

**To build** one more VMRC complex with state-of-the-art technology and infrastructure

**To publish** a minimum of 25 research papers in peer-reviewed journals

**To make** R&D not only an independent profit centre but a wealth creator as well

## Infrastructure

Headquartered at Baddi, Venus Medical Research Centre, the R&D backbone of Venus, is spread across a 100,000 square feet facility comprising nine cutting-edge, testing laboratories (microbiology, toxicology, molecular biology, biochemistry, pharmacognosy and biotechnology addressing tissue culture, stability and chemical analyses).

Apart from sophisticated equipment

11

Received patent approvals from 11 of the EU nations

25

To publish a minimum of 25 research papers in peer-reviewed journals (Our vision)



## Vision

To be a globally-admired drug discovery and development company providing innovative solutions for unmet therapeutic needs.

sourced from leading global equipment manufacturers, the research infrastructure also comprises:

**An international** standard animal house approved by the Committee for the Purpose of Control and Supervision on Experiments on Animals (CPCSEA)

**A CCMB** (cell culture molecular biology) laboratory, which makes us among the few Indian pharmaceutical players with this facility making it possible to test oncology drugs.

The research centre is recognised by DSIR for the development of globally-competitive technologies with high commercial potential.

Capabilities

The Company’s research programme is home to over 60 scientists and support staff; 60% of the team comprises PhDs and post-doctorates, while 40% are postgraduates. The research strength is sub-divided into dedicated teams to ensure focused delivery across the value chain.

**Analytical research division:** The division develops novel formulation methods, mitigating the challenges of analytical development.

**Chemical and stability testing division:** The team enhances product quality through stability tests as per ICH guidelines. It provides validated analytical services, addressing global

quality and regulatory requirements.

**Pre-clinical division:** The team handles all pre-clinical trials and toxicological studies in a GLP environment. Vet pathologists catalyse the preparation of requisite disease models in vivo through compliance with established OECD guidelines.

**Clinical research services:** The team is involved in Phase-I, II, III, IV and BA/BE studies monitoring (as per GCP norms) for research products.

**Natural product research:** The team specialises in screening natural products, which can be used for drug development as per pharmacopoeial and medicinal standards.

**Office of research support:** The wing bridges the gap between research and marketing through field force interactions. It trains the marketing team in various product aspects.

**Process development and technology transfer:** The team facilitates the transfer of technology to scale a successful molecule from the laboratory to pilot and commercial scale.

The ABC of our differentiation...

**Attention:** Working on difficult-to-develop products in therapeutic areas vacated by global majors.

**Brand:** Developing remedy-defining formulations endorsed by regulated and

emerging market regulatory authorities.

Capability: Complete in-house expertise, skills and infrastructure to develop and commercialise products.

... which puts us in the spotlight.

**Wealth:** More than 1,000 patents and around 260 patent applications at various approval stages.

Award and recognition

**Patent award** in gold category for novel research drugs presented by Pharmexcil in 2011

**‘Best Innovation’** award for Ampucare and Trois in 2010 and 2011 under the India Innovation Growth Programme instituted by the Department of Science and Technology, Lockheed Martin Corporation, Indo-US Science and Technology Forum, FICCI and the IC2 Institute (University of Texas).

**‘Emerging Company** of the Year 2011’ award at the Fourth Annual Pharmaceutical Leadership Summit

**QC-100 TQM** (Total Quality Management) Award in Gold category in recognition of commitment to Quality, System efficiency, Leadership, Technology and Innovation

**‘Silver Certificate** of Merit’ in India Manufacturing Excellence Award 2011

**‘2011 Spotlight** Award’ (Bronze category) for its Annual Report

**‘BioSpectrum Product** of the Year 2012’ award for the novel research product Achnil, a once-a-day painkiller

**Patent award** in silver category for novel research drugs presented by Pharmexcil in 2012

**‘Manufacturing Leadership** Award 2012’ for its world-class manufacturing and operational excellence

**‘Number 1 Innovation** Award 2013’ for Elores (Gold category) under the India Innovation Growth Programme instituted by the Department of Science and Technology, Lockheed Martin Corporation, Indo-US Science and Technology Forum, FICCI and the IC2 Institute (University of Texas).

**‘UBM India Pharma’** award for its flagship Elores in the Excellence in Product Development category

**‘Innovative 100’** award for its novel Elores, a drug designed to fight ‘superbugs’

**‘Great Place** to Work’ award in 2013 and 2014

R&D alliances

VMRC explored collaborative alliances with industry-leading bodies and academicians. The Company entered into collaborative research programmes with reputed national and international

academic institutions like NIPER, KGMC, IMTECH, PU, GJU, Annamalai University, Gulbarga University and Amity University.

Intellectual property

The core of Venus’ R&D capabilities has been its in-house IP protection cell (IPPC), not only responsible for its global product pipeline but also creating and managing a high-value patent portfolio that protected the business, research and technological assets. The team was also involved in in-licensing innovative technologies and out-licensing the Company’s research products to regulated markets.

**Patents:** The team filed 360 global patents, of which 100+ were granted and about 260 are at advanced approval stages. The patents cover 51 countries (Europe, North America, the Far East, Australia, South America, Africa and ASEAN).

**Trademarks:** The team filed 150 trademarks, of which 70 were registered and 80 are under various stages of getting registered.

The Venus Medical Research Centre created dossiers for five leading Indian pharmaceutical companies, highlighting its regulatory understanding and documentation capabilities.

Investments in R&D-IPR (₹ million)

2010-11	685.48
2011-12	824.40
2012-13	664.56
2013-14	638.37

Global recognition

In 2013, Venus’ research unit was benchmarked with established GLP norms linked to OECD principles by the National GLP and Compliance Monitoring Authority (NGCMA). Following this development, VMRC joined the exclusive list of 25 leading testing laboratories in India and became the eighth Indian pharmaceutical company to have received GLP approval.

The achievements calendar			
2009-10	2010-11	2011-12	2012-13
<b>Launched two</b> novel research-based therapies in the Indian market	<b>Launched one</b> research product in 2010-11 internationally	<b>Received patent</b> approval from the US for novel Antibiotic Adjuvant Entity and the first patent approval from Japan	<b>Received patent</b> approvals from the US for Elores
<b>Completed Phase-I</b> clinical trials while Phase-II is in progress following permission from DCGI for novel cancer detection molecule	<b>Received patents</b> from various countries across the globe – most significant being the EU, comprising 37 nations	<b>Received the</b> ‘Patent Award’ in gold category from Pharmexcil for 2010-11	<b>Received patent</b> approvals from Australia, Canada and Mexico for Vancoplus
<b>Initiated the</b> Phase-III clinical trial of a NCE following permission from the DCGI	<b>Completed Phase-III</b> clinical trial of the novel in-licensed aminoglycoside molecule Etimicin Sulphate with high success rate	<b>Awarded the gold</b> medal under the India Innovation Growth Programme organised by FICCI, Lockheed Martin and IC2 Institute (Texas) for its product, Ampucare	<b>Received patent</b> approvals from the US for Potentox
			<b>Received approval</b> from DGCI to conduct Phase-III clinical trials for its new chemical entity - VRP1620
			<b>Received approvals</b> for 19 CTD from regulated markets
			<b>Awarded the</b> gold medal under the India Innovation Growth Programme organised by FICCI, Lockheed Martin and IC2 Institute (Texas) for its product, Trios
			<b>Received the</b> BioSpectrum Product of the Year 2012 award for the novel research product, Achnil, a once-a-day painkiller





**VENUS** has three manufacturing units, two in India and one in Germany. This multinational capability enables it to offer clients an unparalleled value proposition: cutting-edge technology at optimised costs. The Company manufactures 75+ products at its facilities, of which 15 are research-based products.

#### Key features at the operating facilities

**All operations** were carried out under a luminar air flow work-station to provide 100% quality assurance

**For aseptic** filling and terminal sterilisation, the Company interlocked lines along with automatic controls and designs

**Circumvented** contamination and cross-contamination through facilities like change rooms, pass boxes and airlocks

**Maintained an** integrated vial and ampoule line for tunnel sterilisation, filling, washing, external cleaning and sealing operations

**Installed comprehensive** ventilation systems in critical and unclassified areas

#### 2013-14 in retrospect

**Substantial increase** in exports of Meropenem vials to the EU

**Successful audit** of facilities by the EU GMP, Ranbaxy, Mylan and Filipino, Ugandan, Indonesian and Ukrainian regulatory authorities

**Commercialised four** products, namely Blutax injection, Flothin (for Ranbaxy), Meropenem (for Mylan) and Fidonex injection

#### Business improvement initiatives

**Installed variable** frequency drives in production and packing lines for better synchronisation

**Invested in** SMS modems for tracking and monitoring of cold room temperature (cold rooms/stability chambers)

**Installed sensors** and flow meters for upgrading the water system

**Installed new** LAF to ensure compliance with cGMP guidelines

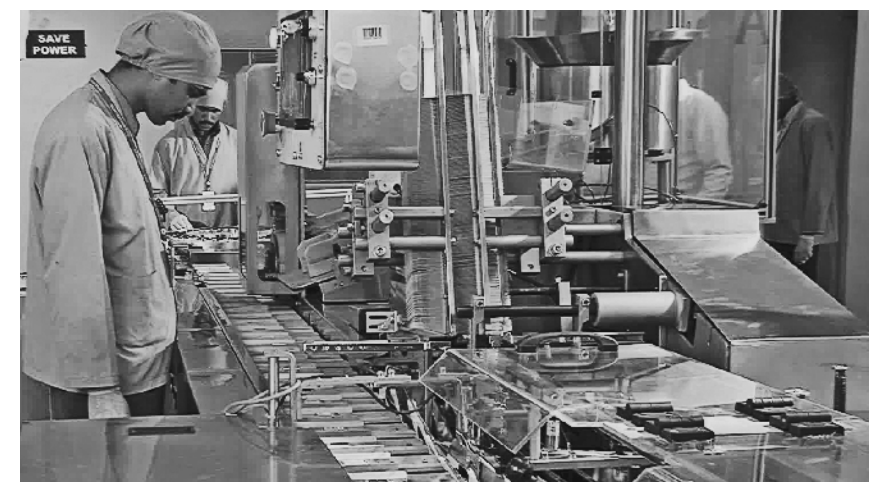
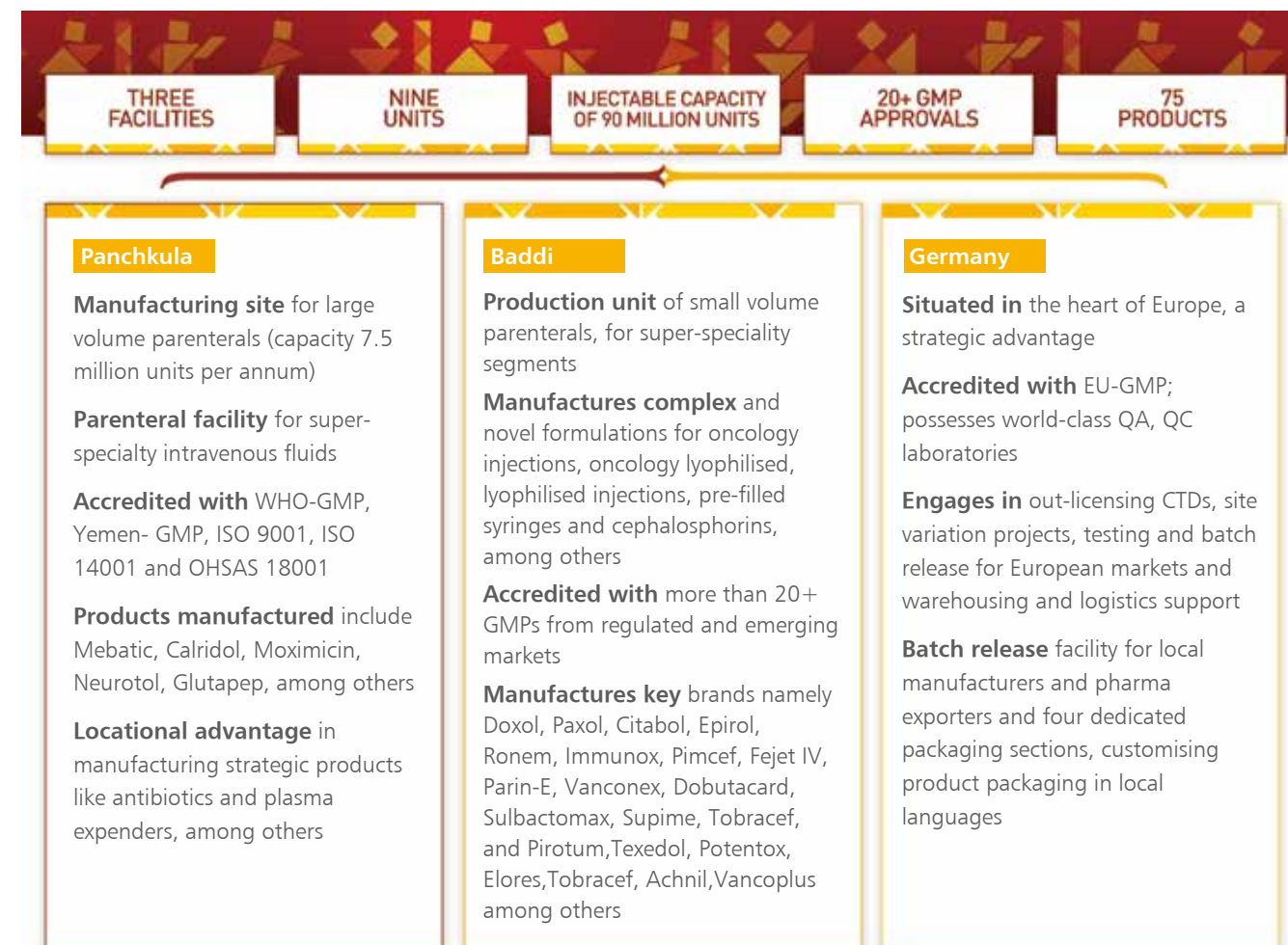
**Installed an** RO system for upgrading the ETP system

**Provided training** to workmen on SPINE software

#### 2014-15, the roadmap

The Company expects to increase facility utilisation to 80% by commercialising new products and increasing volumes through focused marketing.

Venus possessed adequate plant capacity to cater to emerging demand for three years. The Company expects to enhance capacities in FY16.







**VENUS' PASSION** for quality is reflected in two important realities:

**Its prolific** track record of having received global and national endorsements; its three manufacturing facilities have thus far obtained 18 GMP approvals

**Its ability** to forge and sustain marketing relations with large and respected global and Indian pharmaceutical companies

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

The Company's Validation Master Plan (VMP) addresses the stated validation and qualification strategy. Quality verifications of all manufactured products ensure that they are in line with established international benchmarks. It is the job of the VMP to outline and coordinate the qualification and validation activities. Besides, it also allocates the responsibilities in this regard and assists in critical path planning.

Venus' prudent investment towards ushering in state-of-the-art quality control and analytical laboratories facilitates the undertaking stringent tests across the entire operational process – from raw materials to in-process and finished products. The team conducts stability checks for different environmental parameters as per ICH guidelines. Venus has also invested in microbiology laboratories to conduct microbial limit testing, bacterial endotoxin testing and sterility testing, among others.

The Company ensures round-the-clock video surveillance at the manufacturing sites and warehousing facilities. Periodic audits ensure strict adherence to procedural discipline.

#### Highlights, 2013-14

**Successfully accomplished** regulatory audits from EU GMP, Uganda GMP, Ukraine GMP as per PIC/S, Indonesia GMP for certification renewal

**Successful audits** from leading global customers namely, Mylan (France) and Ranbaxy among others

#### Quality strengthening initiatives

**Implemented the Process** Analytical Technology (PAT) which facilitated in reducing production cycle time,

improved manufacturing efficiency, reduced rejection and increased production uptime.

**Implemented the quality** risk management programme which facilitates in systematically analysing products and processes to ensure that the best scientific rationale is in place. This improves the probability of success as well as helps identify important knowledge gaps in the processes in order to effectively identify and mitigate risks.

**Revised and updated** all plant-related SOPs to comply with the current regulatory guidelines and cGMP standards.

**Invested in** new quality control equipment for compliance with rigorous global regulatory standards:

2D bar coding (helps in managing supplies of multiple product versions)

Online seal printing which eliminates the possibility of mixing up of one product with the other

New LAF in the Carbapenem facility and a bio-safety cabinet in a micro lab for compliance with cGMP standards

VFD installed in production and packing lines for seamless synchronisation.

#### 2014-15, the roadmap

**To implement** six sigma protocols for streamlining operations and reducing procedural and qualitative variations;

**To train** the quality control and assurance teams in GLP, documentation, equipment maintenance and GMP;

**To strengthen** the pharmacovigilance programme;

**To invest** about ₹60 million for upgradation and modification of facilities which include upgradation of production lines, installation of online particle counter and revamping of the microbiology lab.



**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.

#### In India

Over the years, Venus has created a robust distribution network comprising 2,000 stockists, 40,000 chemists and 120,000 medical practitioners strengthening its entrenched pan-India presence.

The Company's in-house software (SPINE) maintains online vigilance across all distributor stocks and sales and facilitates seamless supply chain management. This ensures that products get delivered on time across India.

Venus enjoys strategic tie-ups with leading pharmaceutical companies like Abbot, IPCA, Glenmark, Lupin, Elder, among others. Moreover the Company's products find ready acceptance across the top-200 hospitals of the country.

#### 2013-14 in retrospect

**Won prestigious** DHS Delhi and RMSCL Rajasthan tenders that facilitated a substantial increase in institutional businesses.

**Signed contract** manufacturing agreements with Ranbaxy Limited and Blue Cross Limited which will facilitate in filling capacities and improve business growth.

#### 2014-15, the roadmap

**Register** the Company's niche research products in the formularies of government-run hospitals.

**Increase the number** of third party customers to improve asset utilisation

**Create more** avenues in a bid to increase exports

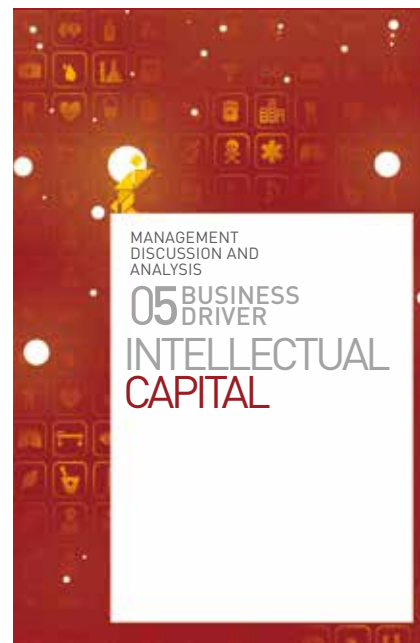
#### Going global

Global business acquisition and servicing has been facilitated through 11 global marketing offices. It bids for overseas tenders with the assistance of local distributors and has also created a special team to promote its products worldwide.

To grow its global presence, Venus is scouting for alliances with pharmaceutical majors for out-licensing its research-based products. It has engaged global consultants to identify, analyse and cement out-licensing deals for patented products.

Venus set up its Global Marketing Centre (Venusian's Chamber) at an investment of ₹500 million as a dedicated complex for its international marketing team to widen its global presence.





## 2013-14 IN RETROSPECT

Added 360 members to the Venus team  
Celebrated World Environment Day to enhance environment, health and safety awareness

Conducted monthly Pragati sessions for enhancing member knowledge, skills and motivation

## Overview

Venus’ global superiority is built around the foundation of its intellectual capital. This capital comprises a rich mix of experience and youthfulness with the objective to create a ‘centre of excellence’.

The Company’s 1,350-strong team comprised members from diverse nationalities, cultures, backgrounds and experience, working towards continuous growth. The average age of the organisation was 23 years (March 31, 2014); about 11% of Venus’ team comprised women.

Venus fostered all-round team development. Its prudent people strategies facilitated member growth in chosen fields to develop competence in technical and managerial areas that grew overall individual personality.

## Challenges

Even as India is the second-most populous nation, it faces a shortage of skilled capital, making it imperative for knowledge-led businesses to enrich intellectual resources. Besides, as career opportunities have grown, attrition and knowledge drain have increased.

## Venus’ response

Venus mitigated these challenges through various people-centric initiatives.

**One**, Venus created an environment that nurtures talent.

**Two**, Venus created a balanced authority-responsibility structure which encouraged decision-making and entrepreneurship.

**Three**, Venus created a challenging work culture, which rewarded and motivated individuals.

**Four**, Venus institutionalised a transparent performance management system that rewarded star performers and encouraged others to perform better.

## Training

The Company institutionalised a multi-hierarchical team, extending from shopfloor operations to personality development. Venus’ rigorous induction guidance followed by an annual structured training programme covered every team member.

The Company encouraged team members to participate in national and international conferences/seminars/workshops. PhD and MPhil degrees were awarded to staff members under different collaborations with educational institutions.

The Company practiced a unique training philosophy – ‘understand and impart’ - which involved understanding and imparted knowledge to others. The tutor and trainee programme ensured the transmission of experience and methods specific to the Company across hierarchies, enabling the organisation to develop uniform expertise.

Cross-functional teams were created to address challenging projects, which widened their knowledge and allowed the Company to handpick the next generation of leaders.

## Performance management

The Company institutionalised the Venus Service Commission (VSC) as an independent body for impartial consideration on all service matters with final authority in people-related issues. Moreover, management heads and other department heads interacted with team members for a dispassionate appraisal of their performance, self-development and other people issues.

## Interaction and communication

The Company standardised arrangements like O&M (officers and management) meetings, departmental meetings as well as tutor and training programmes as an interaction platform with the entire Venus team where the Company’s performance, opportunities, challenges and plans were shared.

## Social schemes

The Company instituted employee welfare schemes, including the education policy, shagun policy, higher education programme, subsidised loan schemes and a policy for condolence events in which the Company extended financial assistance to employees or family members. The Company extended mediclaim and accident insurance benefits to team members.

	No. of sessions	No. of topics	No. of attendees	Total hours
T&T	58	97	280	4,476
External trainings	3	3	6	104
Total	64	100	311	11,780

## Venus, a nation

**Venus constitution:** The Company intends to emerge as a globally-admired organisation with defined vision and mission statements. The Company’s vision enunciated ‘We shall build Venus as a Nation’, emphasising a compliance with defined laws, rules and regulations as part of a constitution serving as a consistent reference point across employee functions, locations and nationalities.

**Venus army:** The Venus army’s motto of ‘Organisation is Supreme, not the Individual’ highlights its organisational strength. Iem: On July 28, 2009, the ‘Venus logo’ was renamed ‘Venus emblem’, depicting an elated man expressing joy and showcasing the Company’s products, services, aspirations, ethics and values. The pyramid in the emblem represents employee synergy.

**Venus song:** The Venus song was adopted under the banner of the Venus Constitution in 2009, enshrining core

values. Every organisational function/event begins with its recital.

**Venus museum:** The museum preserves documents, presentation files, slides and other information. It recorded the Company’s legacy for the benefit of existing and prospective members.

## Achievements, 2013-14

Organised health and hygiene awareness camps in 11 government schools across Punjab, Haryana and Himachal Pradesh

Planted 500 herbal trees in schools and other institutions

Installed potable water tanks in schools

Organised blood donation and ECG camps at Unit-I, Panchkula

Organised blood units for needy relatives of Venusians facing emergency needs

Participated and played a key role in the AWAKE walk and bike rally against improper use of antibiotics

Adopted 10 children of Bal Sadan



**AT** Venus, Information Technology (IT) is a critical driver of business efficiency, integrating operations and processes across plants, corporate offices and regional offices, resulting in access to real-time data leading to informed decision-making.

Venus developed in-house, state-of-the-art software - SPINE, an open-source technology, which integrated the entire organisation (domestic and global locations) and strengthened integrity, security and portability while simultaneously fulfilling FDA requirements. Its fully automatic PLC-controlled equipment installed at all facilities was integrated with SPINE through an in-house designed supervisory control and data acquisition (SCADA) system.

SPINE highlights man-machine productivity per batch per day and provides invaluable insights for implementing productivity improvement initiatives. It also provides managers information on sales, costs and other operational metrics, real time, which facilitates data analysis and faster decision-making.

The central infrastructure and in-house team takes care of the growing information and communication technology requirements of the Company, despite challenges posed by the remote nature of locations.

In 2013-14, SPINE was recoded under the project named MVC. The Company intends to improve software programmes for superior data management and enhancing operational speed.

#### Internal control

The Company has in place an integrated internal control system in line with the nature and size of the business. The internal auditors ensured that the

Company complied with all statutory requirements and implementation of corporate policies. Increasing productivity and accuracy was achieved through a new ERP. Suggestions by the

statutory auditors, the Audit Committee of the Board and afore-mentioned committees are all duly taken into account.

RISK  
MANAGEMENT



## APPREHENSIONS. ASSURANCES.

Venus, a globally-respected pharmaceutical organisation, accords the topmost priority to de-risk the organisation. The Company leverages resident knowledge to undertake proactive counter-measures that strengthens its viability across verticals, products, geographies and market cycles.

### 01 How is the Company monetising its intellectual property wealth?

**Venus has** received 100+ patents from regulated and pharmerging markets across the globe for 16 of its in-house research products, which provides it the unique advantage of being the only manufacturer in the world for these formulations.

The Company made significant headways in launching research products across the world to capitalise on this opportunity. It entered into out-licensing arrangements with respected pharmaceutical companies in various countries - South Africa and Korea -

to launch Elores. These alliances are expected to deliver results in 2014-15. Besides, it launched Elores in India, which generated significant domestic interest. The Company expects to utilise the liquidity to accelerate the launch of other niche molecules.

### 02 What is the Company's blueprint to grow its generic business in the near-term?

**The Company** continues to file product registrations and launch products in pharmerging markets across the globe. In 2013-14, the Company

filed 649 product registrations dossiers; about 198 product registrations filings are pending approvals as on March 31, 2014. In addition, the approvals

for supplying Meropenem to various European nations are expected to provide an important fillip to its growth momentum over the coming years.

### 03 Does the Company's revenue largely accrue from a single geography?

**Venus enjoys** a wide global marketing footprint across more than 60 nations, primarily pharmerging nations, which ensured that no single geography

accounted for more than 10% of the Company's revenue – an important geographic de-risking. Besides, new product filings in the last 24 months are

expected to grow revenue from every nation while reducing its proportion in the entire revenue pie.

### 04 What is the Company doing to strengthen margins?

At Venus, margin accretion is a two-pronged approach:

**A continuous thrust** on increasing the proportion of its high-margin research products in India and across the globe

**A relentless drive** to improve operating efficiencies and eliminate wastages by implementing cost optimisation and small automation projects

**A combination** of these factors is expected to improve margins over the coming years.

### 05 How will the Company fund its financial needs when the business scale widens?

Venus is comfortably placed from a financial perspective. Here is proof:

**A 0.38** debt-equity ratio (March 31, 2014), which allows the Company to leverage its financial muscle when required



# CORPORATE SOCIAL RESPONSIBILITY

At Venus, Corporate Social Responsibility (CSR) is not a tacked on approach. Venus believes in progress on every front. In line with this philosophy, the Company has interwoven social consciousness with business responsibility.

## Charitable trust

The Hanuman Chaudhary Charitable Trust which provides free/subsidised healthcare services is run by pooling in 0.75% of the annual salary of each Venus employee.

## Hospital operations

The Laxmi Devi Charitable Hospital in Sirsa district, Haryana provides primary healthcare advice and medicines free-of-cost to more than 20,000 patients annually. Every Venus employee contributes towards the maintenance and development of the hospital out of their individual paychecks.

## Health camps

Venus periodically hosts diabetes detection camps, provides free ECG

services and organises diet camps which have benefited countless Venus team members. It also organised a blood donation camp which attracted around 80 donors, the collection was channelised to the PGIMER blood bank.

## Knowledge dissemination

Venus launched the Can-survive magazine in June, highlighting the latest trends and studies in the realm of oncology.

## Education

During the fiscal gone by Venus adopted 10 children from Bal Sadan to take care of their basic needs and educate them.

## Manav Uthan Yojna

Venus employees contribute from their salaries towards the Manav Uthan Yojna, a programme to support the financially disadvantaged members of the society. By accumulating the funds, beds, cycles, sewing machines, blankets, among others were distributed among these aforementioned individuals. Besides,

medical services and educational support was provided to the children of the workers.

## Going green

Venus encourages its team and visitors to plant trees. The expansive land parcels within its manufacturing units are populated 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, planting more than 1,000 trees.

## Awareness programmes

The Company undertakes routine initiatives to increase awareness regarding lethal ailments. Venus has been actively visiting government schools in and around Chandigarh to educate students about the importance of health and sanitation. The Company has also installed water tanks and constructed toilets in various government schools.



# STATUTORY REPORTS

# Director's report

To the esteemed stakeholders of  
Venus Remedies Limited

## Financial Highlights (₹In Millions)

Particulars	2013-14	2012-13
Sales & Other Income	5260.56	4613.38
Operating Surplus	1332.29	1184.88
Financial Charges	292.94	244.50
Depreciation	386.09	317.62
Profit before Tax	657.32	626.72
Provision of Tax	47.82	55.27
Profit After Tax (PAT)	609.50	571.45
Provision for Dividend	-	33.98
Profit transferred to General Reserve	300.00	300.00

Received gold medal for ELORES - 'best Innovation of 2013'

## Operations

During the year under review, your Company achieved a turnover ₹5260.56.million compared to ₹4613.38 million in 2012-2013 registering a growth of 14.03% the Company has made commendable efforts to meet projected targets and has delivered a commendable corporate performance during the year under review. The Company is fully integrated in terms of research and development, markets, world-class manufacturing facilities (accredited by national and international certifications), state-of-the-art research centre (Venus Medicine Research Centre), strong marketing networks and competent manpower.

The Company has achieved the following milestones in 2013-14:

**Launched** ELORES to fight 'superbugs' which won a patent from South Korea, signed deal for exclusive marketing rights with South Korean pharma giant

**Received** gold medal for ELORES - 'best Innovation of 2013'

**Bagged** Mexican patent for Potentox

**Named** among the 'Best Companies to Work for'

Named among the 'Best Companies to Work for'

Received Japanese patent for ELORES, an antibiotic to fight 'superbugs'

Received PIC/S GMP accreditation for all nine units

Received GLP accreditation for its R&D centre

Entered European markets

Took its flagship product, Elores into Latin America

Received MA in Italian market for Meropenem

Became first pharma firm to get marketing approval for Meropenem in the Gulf region

Bagged UBM India Pharma award for ELORES

Signed MoU for ELORES with South African pharmaceutical firm

Won Innovative 100 Award for ELORES

Got US patent for Achnil

Received marketing approval from Myanmar for its flagship product ELORES

## Management discussion and analysis

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

## Pledge of Promoter's shareholding

The promoters have pledged 14,30,000 shares as on date as collateral security to bank for credit facility sanctioned to the Company.

## Dividend

The Board has not recommended dividend for the year 2013-14 in the light of lending institutions' terms for Corporate Debt Rephasing.

## Fixed Deposits

Your Company has not accepted any fixed deposits within the meaning of section 58A of the Companies Act 1956 and the rules made there under.





Received marketing approval from Myanmar for its flagship product ELORES

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

The prescribed particulars as required under section 217(2)(e) or 134(3)(m) of the Companies Act 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are set out in the annexure forming a part of this report. The particular are set out in annexure forming part of the report.

Particulars of the Employees

The Company does not fall under these guidelines as per Ministry of Corporate affairs Notification dated March 31, 2011.

Directors’ Responsibility Statement

Your Directors pursuant to Section 217(2AA) of the Companies Act, 1956 state as follows:

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that 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 or loss of the Company for that period;
- (iii) that 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) that the Directors had prepared the annual accounts on a going concern basis.
- (v) Pursuant to the provision of Section 212(8) of the Companies Act 1956, the Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the annual accounts of the subsidiary company with the balance sheet of holding Company. The annual accounts of the subsidiary company and the related detailed information shall be made available to shareholders of the holding and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be kept for inspection by any shareholders in the Corporate/head office of the holding company and of the subsidiary company concerned.

The Board sincerely thanks employees for their dedicated services at all levels.

Directors

Mr. Peeyush Jain retires at the ensuing Annual General Meeting and has offered himself for reappointment. The Board has received the candidature of Dr. Rupinder Tiwari, Mr. Jagdish Chander, Dr. Gilbert Wenzel, Dr. Suresh Kumar Chadha for the appointment as independent non executive director. The details of the appointment are mentioned in the Notice of the meeting.

Auditors

The statutory auditors, M/S J.K. Jain & Associates retire at the forthcoming Annual General Meeting and being eligible, have offered themselves for reappointment. The Audit Committee has also recommended their reappointment. The notes to the accounts referred to in the Auditor’s Report are self-explanatory and therefore do not require further explanation. The Company has appointed M/s C.L. Bansal & Associates, Cost Accountants as cost auditors for the financial year 2013-2014.

Corporate Governance

Your Company has complied with the mandatory provisions of the corporate governance as per the requirement of Clause 49 of the Listing Agreement. A separate detailed report on Corporate Governance and Auditor’s certificate on its compliance form part of this Annual Report.

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: 14th November, 2014

Pawan Chaudhary  
Chairman & ManagingDirector



# Annexure to Directors' report

Information Pursuant to the  
Companies (Disclosure of  
Particulars in the Report of  
Board of Directors) Rules, 1988

## 1. Conservation of energy

### A) Steps taken during the year for energy conservation

- Installation of variable frequency drives on water Distribution system in Unit -2
- Installation of sensor in cooling tower pump which will shut the blower once the desired temperature is achieved in Unit-2
- Installation of 600 kilogram boiler in Unit -2 in parallel to 850 kilogram boiler. When the requirement from plant is less, small boiler is switched 'ON' thereby saving extra energy
- Installation of wet scrubber in exhaust chimney of boilers which reduces air pollution.
- Installation of level sensor and temperature controller in child loops of service area of Unit-2

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

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

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

#### FORM A

A. Power and Fuel Consumption:	2013-14	2012-13
1. Electricity		
a) Purchased (Units)	34,31,418	30,72,392
Total amount (₹)	245,34,878	193,55,723
Rate/Unit (₹)	7.15	6.30
b) Own Generation		
(i) Through DG set		
Units	2,27,222	6,47,470
Total amount (₹)	38,14,707	81,02,274
Rate/Unit (₹)	16.79	12.51
ii) Through steam turbine/generator	Nil	Nil
2 Coal consumption	Nil	Nil
3. Furnace Oil & Diesel		
Quantity (Ltr.)	1,95,458	2,48,814
Total amount (₹)	98,64,773	102,48,953
Average Rate (₹/Unit)	50.47	41.19
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

#### 1. 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 centre 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 60 qualified and experienced scientists who conduct research in discovering necessary and efficacious medicines which are safe and cost-effective and also generate medical knowledge to foster 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.

MRC is committed to developing therapeutics to meet the challenges of antimicrobial resistance and has come up with many solutions. VMRC has achieved significant breakthrough in small molecule research for developing products helpful to combat antimicrobial resistance utilising novel targets and adjuvants which synergise with other antibiotics, minimising spread of resistance.

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

Eleven high-tech research laboratories which conform to international standards following cGLP

Best-in-class animal house approved by Committee for the Purpose of Control and Supervision on Experiments on Animals (CPCSEA)

Current team of more than 60 scientists and support staff along with a well-equipped library

Key drivers are:

- Innovative solutions for incurable diseases
- Combating antimicrobial resistance
- Reduction in treatment time and cost
- Improved QoL of patients
- Reduction in side effects
- Decreased frequency of drug administration



The efficacy of Venus Medicine Research Centre's efforts in the realm of innovations is reflected in the number of patents filed so far, which stands around 360.

The major functional divisions at VMRC include:

- 2. **Formulation development:** NDDS (Novel Drug Delivery System) based product development, nanotechnology, targeted delivery, sustained delivery, pulsatile drug delivery and development of antibiotic adjuvant entities, non-infringing formulations products with improved bioavailability, process development and technology transfer.
- 3. **Analytical research :** Analytical method development and validation, biological method development and validation, drug-drug interaction
- 4. Stability studies and physiochemical research
- 5. Elemental analysis, method development and validation
- 6. Pre-clinical studies (toxicity studies, PK/PD studies, proof of mechanism, proof of concept, safety pharmacology, including QTC).
- 7. **Histopathological studies**
- 8. **Cell Culture and Molecular Biology (CCMB):** Novel biomarker and therapeutic target identification of oncology drugs, micro-imaging studies on cellular functions, molecular imaging and imaging biomarkers, genetic characterisation of resistant strains, semi-quantitative and quantitative gene expression, protein profiling, cytotoxicity
- 9. **Microbiology research:** Method validation for BET and Sterility, microbioassay, clinical microbiology, TKC, carcinogenicity and mutageneticity studies
- 10. Pharmacokinetic research using hollow fibre infection model
- 11. **Clinical pharmacology:** Early phase clinical studies (Phase-I and II),late phase clinical studies (Phase-III and IV), bridging phase trials, PK PD, BA/BE

Patents

The Company has in place a well-defined IP policy. The efficacy of of Venus Medicine Research Centre's efforts in the realm of innovations is 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. It maintains a product discovery pipeline of a minimum of 25 products at all times. It has also brought with it a number of tax and duty exemptions as well. The Company would now be enjoying a weighted tax deduction of 200% on its R&D expenses along with complete exemption of duties on import of materials/equipments and machines for R&D purposes. The benefit of translational medicine is increasingly being recognised 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

In-licensed technology for Solid Tumour Detection from University of Illinois, Chicago, US

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 marketplace.

3. Future plan of action:

Energising R&D activities to realise the Mission 2015 to be recognised 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 address unmet medical needs abut also meets the changing demands of the marketplace.

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

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

Particulars	2013-14		2012-13	
	₹ in million	% to turnover	₹ in million	% to turnover
Capital Expenditure (R&D-IPR)	472.00	8.97	504.30	10.93
Recurring Expenditure (R&D)	166.57	3.17	160.26	3.47

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 upgradation programmes to improve and acquire latest technology with far reaching beneficial effects from research to manufacturing to marketing. Venus' scientists work closely 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, among others). Venus does invest into technology/product in-licensing as well as collaborative development with the industry and academia. Such activities include. In licensed a Novel Aminoglycoside (a new antibiotic) with patent rights from the innovator Company in China.

In-licensed technology for Solid Tumour Detection from University of Illinois, Chicago, US which would help in early detection and staging of solid tumors even in remote areas here advanced detection techniques are not available.

Joint research with IMTECH and Punjab University for development of novel fast and highly sensitive typhoid detection test.

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 generators in the Indian pharma sector.

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

Benefits derived as a result of the above efforts e.g. product development, import, substitutions, among others.

Commercial launch of new products including novel drugs for antimicrobial resistance, oncology therapeutics, pain control, among others have differentiated Venus from the league of generic drug makers. Strengthening of Company's product basket especially with innovative and potential blockbuster drugs, supply of high quality, research products with great potential to strategic partners

The Company's sales and profit margins have been positively impacted due to the new product launches with better margins since there is no or negligible competition for the products being launched by Venus.

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 generators in the 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.

FORM C

### 3. Foreign Exchange Earnings and Outgo

(₹ In lac)

Particulars	Currency	Current Year	Previous Year
A. Total Foreign exchange earned			
Sales	USD	67.05	58.22
	EURO	115.04	65.27
R&D activities	USD	1.94	0.72
	EURO	0.34	0.17

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

Particulars	Currency	Current Year	Previous Year
B. Total Foreign exchange used			
Salary	USD	1.41	1.39
Traveling	USD	0.05	0.17
	EURO	0.04	0.03
	ZAR/GBP	-	0.03
Regulatory Fee for Patent/Products & Plant Registration/ Export	USD	22.04	20.27
	EURO	11.11	10.27
	JPN	6.37	11.61
Exhibition Expenses	EURO	-	0.01
Remittance on account of dividend	USD	0.01	0.01
Subscription/ Publication	USD	0.03	0.01
	GBP	0.0005	-
	AUD	0.004	-
Commission/ Incentive	USD	0.66	0.47
	EURO	0.02	0.04

For and on behalf of Board of Directors,

For VENUS REMEDIES LIMITED

Place: Panchkula

Date: 14th November, 2014

Pawan Chaudhary  
Chairman & Managing Director



# Corporate Governance report

(as required under Clause 49 of the Listing Agreements entered into with the Stock Exchanges)

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.

## 1. Board of Directors :

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

As at March 31, 2014, the Board consisted of 9 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 ( <i>Chairman &amp; Managing Director</i> )	Promoter, Whole-time	Sunev Pharma Solutions Ltd.	Nil
Mrs. Manu Chaudhary ( <i>Joint Managing Director</i> )	Promoter, Whole-time	Sunev Pharma Solutions Ltd.	Nil
Mr. Peeyush Jain ( <i>Dy. Managing Director</i> )	Whole-time	Nil	Nil
Mr. Ashutosh Jain ( <i>Executive Director</i> )	Whole-time	Sunev Pharma Solutions Ltd.	Nil
Mr. Jagdish Chander	Independent Non-Executive	–	–
	Nil	Nil	
*Mr. Hari Pal Verma	Independent Non-Executive		
	Nil	Nil	Nil
Dr. S. K. Chadha	Independent Non-Executive		
	Nil	Nil	
Dr. Gilbert Wenzel	Independent Non-Executive		
	Nil	Nil	
**Mr. Soumitra Sengupta	Nominee, Independent Non-Executive	Satia Synthetics Limited	Nil

\* Mr Hari Pal resigned from Board w.e.f.12.08.2014. We have received candidature of Dr. Rupinder Tiwari for the appointment as independent non-executive director

\*\* Resigned w.e.f 13.06.14

## B. Details of Board Meetings held during the year:

Sr No.	Date	Board Strength	No. of Directors present
1.	18.05.2013	9	8
2.	19.06.2013	9	6
3.	03.08.2013	9	7
4.	11.11.2013	9	6
5.	12.02.2014	9	8

## 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	5	5	Yes
Mrs. Manu Chaudhary	5	5	No
Mr. Peeyush Jain	5	5	Yes
Mr. Ashutosh Jain	5	2	Yes
Mr. Jagdish Chander	5	5	Yes
Mr. Hari Pal Verma	5	5	No
Dr. S. K. Chadha	5	5	No
Dr. Gilbert Wenzel	5	1	No
Mr. Soumitra Sengupta	5	2	No

## 2. Nomination & Remuneration Committee

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

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down,
- 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.

Director	No. of meetings held	No. of meetings attended
Mr. Jagdish Chander	1	1
Mr. Hari Pal Verma	1	1
Dr. S. K. Chadha	1	1

### Remuneration of Directors

Name of Director	Salary	Sitting Fee	Perquisites	Super annuation	PF	Commission	Total
Mr. Pawan Chaudhary	6130080	NIL	163903	NIL	NIL	NIL	6293983
Mrs. Manu Chaudhary	5266080	NIL	NIL	NIL	NIL	NIL	5266080
Mr. Peeyush Jain	3169584	NIL	56342	NIL	NIL	NIL	3225926
Mr. Ashutosh Jain	2885418	NIL	NIL	NIL	NIL	NIL	2885418
Mr. Jagdish Chander	Nil	33600	Nil	Nil	Nil	Nil	37500
Mr. Hari Pal Verma	Nil	22400	Nil	Nil	Nil	Nil	30000
Dr. S. K. Chadha	Nil	33600	Nil	Nil	Nil	Nil	25000
Dr. Gilbert Wenzel	Nil	5600	Nil	Nil	Nil	Nil	5000
Mr. Soumitra Sengupta	Nil	12200	Nil	Nil	Nil	Nil	12200

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.

### 3. Audit Committee:

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 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 with the management and external and internal auditors, the adequacy of internal control system
- Reviewing the adequacy of internal audit function
- 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 the Company's financial and risk management policies; and
- Examining reasons for substantial default in the payment to depositors, debenture holders, shareholders and creditors, if any.

### Composition:

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

### Details of Audit Committee Meetings held during the year:

Sr No.	Date	Committee Strength	No. of members present
1.	18.05.2013	3	3
2.	03.08.2013	3	3
3.	11.11.2013	3	3
4.	12.02.2014	3	3

### Attendance at Audit Committee Meetings:

Director	No. of meetings held	No. of meetings attended
Mr. Jagdish Chander	5	5
Dr. S. K. Chadha	5	5
Mr. Pa wan Chaudhary	5	5

### 4. Code of Conduct for Directors

The Company has also put into operation, in terms of SEBI guidelines, a Code of Insider Trading and the same is being duly complied by all concerned.

### 5. Stakeholders Relationship Committee:

#### Terms of Reference:

- To approve transfer, transmission, sub-division and issue of duplicate shares/debentures and for redressal of Investorcomplaints on all matters
- Name of the Non-Executive Director heading Committee : Mr. Jagdish Chander
- Name & Designation of compliance officer : Ms. Neha Kodan, Company Secretary
- Details of Shareholders complaints received, solved, not solved and pending share transfers:

There was no complaint pending as of close of 31st March, 2014. A total of Four complaints were received for the period 1-4-2013 to 31-3-2014. All complaints were redressed under the supervision of the Committee.

The SRC consider and resolve the grievances of security holders of the company.

### 6. CSR Committee:

The CSR Committee comprises of Dr. S.K. Chadha Mr. Pawan Chaudhary and Mr. Peeyush Jain. Dr.S. K Chadha is the Chairman of the committee.

#### 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.

7. General Meeting

Details of General Meetings held in last three years:

Financial Year	Meeting	Date	Time	Location
2010-2011	AGM	30.09.2011	10.00 AM	Bal Bhawan, Sector 23, Chandigarh
2011-2012	AGM	28.09.2012	10.00 AM	Bal Bhawan, Sector 23, Chandigarh
2012-2013	AGM	30.09.2013	10.00 AM	Bal Bhawan, Sector 23, Chandigarh

- Special resolutions put through postal ballot last year

– NIL
- Items proposed to be conducted through postal ballot this year

– NIL

8. Means of communication:

- a) Publication of Quarterly results : Wide Publicity is given in print media.
- b) Management Discussion & Analysis : Published as a part of Annual Report under Director’s Report
- c) Shareholders Information Section Published as part of Annual Report under Corporate Governance Report
- d) Company Website : The Company has its own website viz. www.venusremedies.com, www.vmrcindia.com, www.Venuspharmagmbh.de, where information relating to financial results, launch of new products and official releases to news agencies are made available .
- e) Information to stock exchange : All the material developments in the com informed to stock exchanges where the shares of the company are listed

9. Disclosures :

- a) There are 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.
- b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges/SEBI/statutory authorities on matters related to Capital Markets during the last three years:

During the last three years no penalty or stricture has been imposed on the company by Stock Exchanges/SEBI/ Statutory authorities on matters related to Capital Markets.

10. Disclosure of the compliance with adoption/non adoption of the non mandatory requirements as per Annexure ID

1. The Board - Adopted
2. Remuneration Committee – Adopted
3. Shareholder Rights - Not adopted
4. Audit Qualifications - Adopted ( The financial statements are unqualified)

5. Training of Board Members - Adopted
6. Mechanism for evaluating non-executive Board Members - Not Adopted
7. Whistle Blower Policy - Adopted

11. General Shareholders Information :

- A. AGM details :

Date

: December 30, 2014

Venue

: Bal Bhawan, Sector- 23, Chandigarh

Time

: 10 A.M.

Book Closure Dates

: From 23rd December, 2014 to 30th December, 2014 (both days inclusive)
- B. Financial Calendar :

Financial year of company

: 1st April, 2014 to 31st March, 2015

First Quarter results

: On or before 15th August, 2014

Second Quarter results

: On or before 15th November, 2014

Third Quarter results

: On or before 15th February, 2015

Fourth Quarter results

: On or before 15th May, 2015
- C. Share Transfer System : Link Intime India Pvt. Ltd. (formerly known as Intime Spectrum Registry Ltd.) is working as Registrar & Share Transfer Agents.
- D. Registered Office : SCO 857, 2nd Floor, Cabin No. 10, NAC Manimajra, Chandigarh.
- E. Corporate Office : CIN: L24232CH1989PLC009705  
51-52, Ind. Area, Ph.-I, Panchkula (Haryana)

E.mail

: complianceofficer@venusremedies.com,  
info@vensuremedies.com
- F. Plant Locations : Unit-I Plot 51-52, Industrial Area, Phase-I, Panchkula-134 113, India  
Unit-II: Hill Top Industrial Estate, Jharmajri EPIP, Phase-I (Extn.), Village- Bhatoli Kalan, Baddi (H.P), India- 173 205
- G. E-mail – Investor Grievance : investorgrievance@venusremedies.com,  
complianceofficer@venusremedies.com
- H. R & TA : LINK INTIME INDIA PVT LTD  
44 COMMUNITY CENTRE, 2ND FLOOR, NARAINA INDUSTRIAL AREA  
PHASE- I, NEAR PVR NARAINA, NEW DELHI 110 028  
E-mail: delhi@linkintime.com  
Phone ; 011-41410592, Fax ; 011-41410591
- I. Dividend : The Board has not recommended dividend for the year 2013-14 in the light of lending institutions’ terms for Corporate Debt Rephasing.

J. Status of De materialization of shares as on 31st March, 2014 Mode

Mode	No. of Shares	Percentage
DEMAT	11128142	97.26%
PHYSICAL	313846	2.74%

K. Listing on Stock Exchanges : The Company's securities are listed on the following Stock Exchanges,

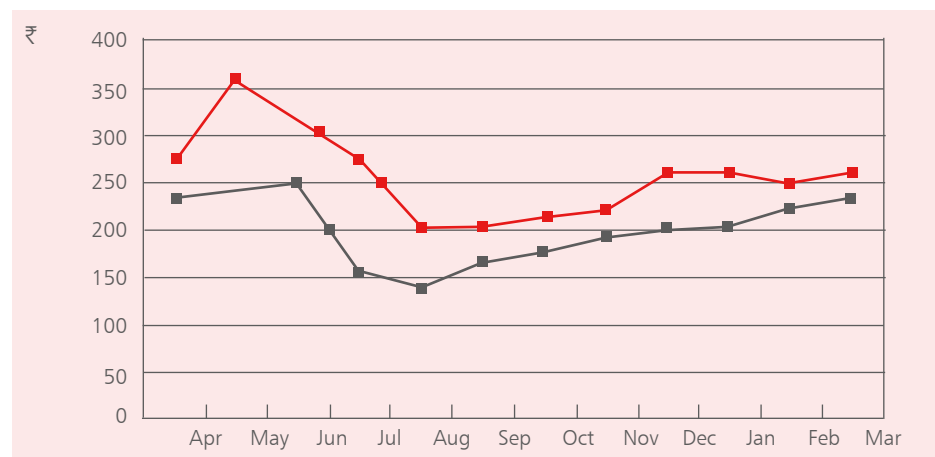
Place	Address
Mumbai	The Stock Exchange, Mumbai Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 023
Scrip Code	: 526953
Mumbai	The National Stock Exchange of India Limited, 5th Floor, Exchange Plaza, Bandar (E), Mumbai
Scrip Code	: VENUSREM

L. Distribution of Shareholding as on 31st March, 2014:

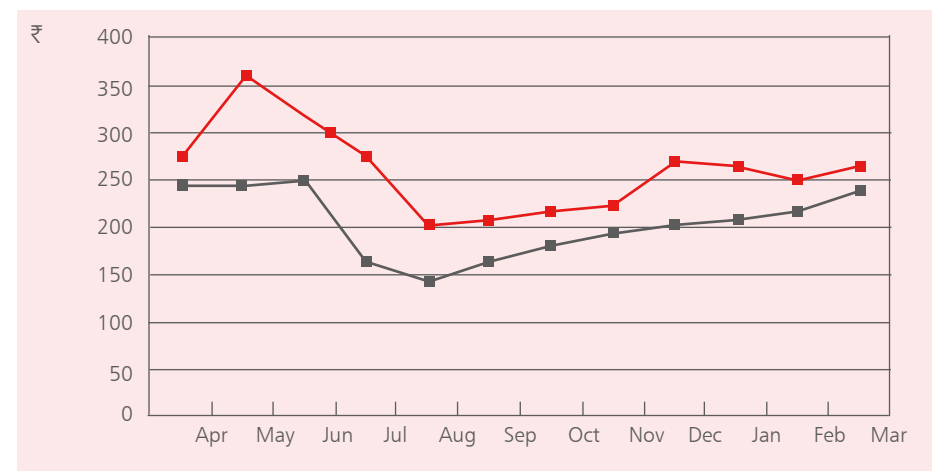
Share or Debenture holding of nominal value ₹ (1)	Share / Debenture Holders		Share / Debenture Amount	
	Number (2)	% to total (3)	Amount in ₹ (4)	% to total (5)
Upto 2,500	9344	81.21	7490230	6.546
2,501 - 5,000	1050	9.126	4054190	3.543
5,001 - 10,000	567	4.928	4526410	3.956
10,00 - 20,000	257	2.234	3857770	3.372
20,001 - 30,000	97	0.843	2477550	2.165
30,001 - 40,000	47	0.408	1704050	1.489
40,001 - 50,000	30	0.261	1409740	1.232
50,001 - 1,00,000	64	0.556	4765180	4.165
1,00,001 & Above	50	0.435	84134760	73.532
Total	11506	100	114419880	100

US dollar 4595833 foreign currency convertible bonds are due mature in February 2015 and the conversion price is ₹364 per share

M. Market price data (High/Low) during each month in the year 2013-2014 in the Bombay Stock Exchange (BSE):



N. Market price data (High/Low) during each month in the year 2013-2014 in the National Stock Exchange (NSE):



## 12. Depository Services:

The shares of the Company are in compulsory demat mode.

### 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

The paid up share capital will go up in case, the conversion of aforesaid bonds into equity shares happen before the maturity date

## 13. 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 109A of the Companies Act, 1956 are requested to submit to the company the prescribed Form.

## 14. Outstanding GDRs/ADRs/Warrants or any convertible instruments conversion

### date and likely impact on equity:

The Company has not issued GDRs/ADRs. US dollar 4595833 foreign currency convertible bonds are due mature in February 2015 and the conversion price is ₹364 per share. The paid up share capital will go up in case, the conversion of aforesaid bonds into equity shares happen before the maturity date.

## 15. Management's Discussion and analysis:

The Directors' Report covers the Management's Analysis of the performance and outlook. The report also covers future projections in the current environment



## CEO certificate

To the Board of Directors ,

I, Pawan Chaudhary, CEO & Managing Director, certify that :

- (a) I have reviewed financial statements and the cash flow statement for the year ended March 31, 2014, and that to the best of my knowledge and belief :
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the Auditors and the Audit Committee that :
  - (i) there has not been any significant changes in internal control over financial reporting during the year under reference;
  - (ii) there has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements;
  - (iii) and there has not been any instances during the year of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Panchkula  
Date: 14.11.2014

**Pawan Chaudhary**  
*CEO, Chairman & Managing Director*

## 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, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company, with Stock Exchanges.

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 clause. 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 stipulated in Clause 49 of the above mentioned Listing Agreement.

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

Place: Panchkula  
Date: 14.11.2014

(J. K. Jain)  
*Partner*  
Membership No. 083140



# FINANCIAL STATEMENTS

## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
VENUS REMEDIES LIMITED  
PANCHKULA

1. The original financial statements for the year ended 31st March, 2014 have now been revised by the Company in the manner and for the reasons explained in the Notes attached to the revised financial statements. We have audited the revisions carried out in the original financial statements for the year ended 31st March, 2014 subsequent to our report dated 14th November, 2014. Consequently we submit our report on the attached revised financial statements of M/s Venus Remedies Limited, which comprise the revised Balance Sheet as at 31st March, 2014, and the revised Statement of Profit and Loss and revised Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.
2. Management is responsible for the preparation of these revised 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control 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.
3. Our responsibility is to express an opinion on these revised financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the revised 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.
6. In our opinion and to the best of our information and according to the explanations given to us, the revised 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 revised Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
  - b) in the case of the revised Statement of Profit and Loss, of the profit/ loss for the year ended on that date; and
  - c) in the case of the revised Cash Flow Statement, of the cash flows for the year ended on that date.
7. As required by "the Companies (Auditor's Report) Order, 2003" issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
  8. As required by section 227(3) of the Act, we 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 revised Balance Sheet, revised Statement of Profit and Loss, and revised Cash Flow Statement dealt with by this Report are in agreement with the books of account.
    - d) in our opinion, the revised Balance Sheet, revised Statement of Profit and Loss, and revised Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
    - e) on the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
    - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For J.K. Jain & Associates  
Chartered Accountants  
FRN:004025N

(J.K. JAIN)  
Partner

Place: Panchkula  
Date: 14th November, 2014

M. No. :083140

## Annexure to the Auditor's Report

(Referred to in Para (7) of our report of even date)

On the basis of such checks as we considered appropriate and according to the information and explanation 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) In our opinion and according to the information and explanations given to us, no substantial / major part of fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) 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 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.

- (b) 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 taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.

4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. In respect of transactions to be entered in the register maintained in pursuance of section 301 of the Companies Act, 1956 :-
  - (a) To the best of our knowledge and belief and according to the information and explanations given to us, company have transaction that needed to be entered into the register.
  - (b) According to the information and explanations given to us, there are transactions exceeding ₹5,00,000/- (Rupees five lacs only).
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act 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.

9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, 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.
- (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 the Note 39(e) to Notes on Financial Statements.
10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is not trading in Shares, Mutual funds & other Investments.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.

16. Based on our audit procedures and on the information given by the management, we report that term loans taken during the year have been applied for the purpose for which they were obtained.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. During the year the company has made preferential allotment of 9,00,000 equity shares to Sunev Pharma solution limited at ₹212.20 per share. The above allotment is covered under the register maintained under section 301 of the Companies Act, 1956.
19. The Company has no outstanding debentures during the period under audit, paragraph 4 of the Order is not applicable.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For **J.K. Jain & Associates**  
Chartered Accountants  
FRN:004025N

(**J.K. JAIN**)  
Partner

Place: Panchkula  
Date: 14th November, 2014

M. No. :083140

**BALANCE SHEET** As at 31st March, 2014

(₹ in Lacs)

Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholder's Funds			
(a) Share Capital	1	1144.20	1054.20
(b) Reserves and Surplus	2	45597.37	37692.19
(c) Money received against share warrants		-	477.45
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	3	13950.60	12911.52
(b) Deferred Tax Liabilities (Net)	4	1778.53	1468.09
(c) Other Long term Liabilities	5	66.90	46.58
(d) Long Term Provisions	6	331.39	291.38
(3) Current Liabilities			
(a) Short-Term Borrowings	7	11007.67	9568.13
(b) Trade Payables	8	2814.17	1786.97
(c) Other Current Liabilities	9	5460.12	5788.28
(d) Short-Term Provisions	10	1451.15	1862.92
<b>Total</b>		<b>83602.11</b>	<b>72947.69</b>
<b>II. ASSETS</b>			
(1) Non-Current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		19815.90	18329.44
(ii) Capital WIP		6156.33	4366.92
(iii) Intangible Assets		21793.11	19762.54
(iv) Intangible Assets under Development		623.59	413.62
(b) Non-current investments	12	2873.61	2873.61
(c) Long term loans and advances	13	5498.18	4274.03
(2) Current Assets			
(a) Inventories	14	14145.65	12639.68
(b) Trade receivables	15	6280.35	5311.26
(c) Cash and cash equivalents	16	438.18	625.87
(d) Short-term loans and advances	17	5977.21	4350.72
<b>Total</b>		<b>83602.11</b>	<b>72947.69</b>
Significant Accounting Policies and Notes on Accounts	1 to 40		

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**

For and on behalf of the Board of Directors

Chartered Accountants

Firm Registration No. 004025N

**(J.K. Jain)**

Partner

M. No. : 083140

**(Peeyush Jain)**

Deputy Managing Director

**(Pawan Chaudhary)**

Chairman cum Managing Director

Place : Panchkula

Date : 14th November, 2014

**(Neha Kodan)**

Company Secretary

**(Ajeet Kapoor)**

DGM Accounts

**STATEMENT OF PROFIT & LOSS** For the period ended on 31st March, 2014

(₹ in Lacs)

Particulars	Note No.	Year ended 31st March, 2014	Year ended 31st March, 2013
<b>I Revenue from operations</b>	18	52605.58	46133.84
<b>II Other Income</b>	19	40.62	39.49
<b>III Total Revenue (I + II)</b>		<b>52646.20</b>	<b>46173.33</b>
<b>IV Expenses:</b>			
Cost of materials consumed	20	30128.14	27255.82
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	(232.24)	(929.29)
Employee Benefit Expenses	22	2556.54	2323.79
Finance Costs	23	2929.36	2444.95
Depreciation and Amortization Expenses	24	3860.90	3176.19
Other Expenses	25	6830.25	5634.67
<b>Total Expenses (IV)</b>		<b>46072.95</b>	<b>39906.14</b>
<b>V Profit before Tax</b>	(III - IV)	<b>6573.24</b>	<b>6267.19</b>
<b>VI Tax expense:</b>			
(1) Current tax		1377.78	1253.93
(2) Deferred tax		310.44	304.21
(3) Mat Credit		(1,210.00)	(1,005.46)
<b>VII Profit/(Loss) for the period</b>		<b>6095.02</b>	<b>5714.52</b>
<b>VIII Earning per equity share:</b>			
(1) Basic		54.19	58.63
(2) Diluted		51.58	50.95

Notes and Significant Accounting Policies referred to above and annexed there to form an integral part of Statement of Profit &amp; Loss.

This is the Statement of Profit &amp; Loss referred to in our Report of even date.

For **J. K. Jain & Associates**

For and on behalf of the Board of Directors

Chartered Accountants

Firm Registration No. 004025N

**(J.K. Jain)**

Partner

M. No. : 083140

**(Peeyush Jain)**

Deputy Managing Director

**(Pawan Chaudhary)**

Chairman cum Managing Director

Place : Panchkula

Date : 14th November, 2014

**(Neha Kodan)**

Company Secretary

**(Ajeet Kapoor)**

DGM Accounts



## CASH FLOW STATEMENT For the period ended on 31st March, 2014

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

(₹ in Lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax & extraordinary items	6,573.24	6,267.20
Adjustment for Depreciation	3,860.90	3,176.19
Increase in long term provision for gratuity and leave encashment	(40.02)	-
Adjustment of excess MAT Transferred to General Reserve	(9.63)	665.07
Adjustment reversing effect on profit of non-cash non-operating activities	(34.06)	-
Exchange Fluctuation	(158.00)	112.42
Interest Received	(24.55)	(15.66)
<b>Operating Profit before working capital changes</b>	<b>10,167.87</b>	<b>10,205.21</b>
Adjustments for increase /decrease in Current Assets	(4,101.56)	(7,554.00)
Decrease / Increase in Current Liabilities/ Provisions	(810.34)	2414.84
<b>Net Cash Flow from operating activities (A)</b>	<b>5,255.98</b>	<b>5,066.05</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale/Purchase of Fixed Assets Including		
Capitalization of Expenses(NET)	(7,586.33)	(7,682.21)
Increase/ Decrease in Capital work in progress	(1,789.41)	(2,580.05)
Interest Received	24.55	15.66
Proceeds from loans and advances	(23.78)	-
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(9,374.96)</b>	<b>(10,246.60)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital	90.00	80.00
proceed from share capital(share premium)	1819.80	715.75
Proceeds from share warrants	(477.45)	477.45
Proceeds from Long Term Borrowing( Net)	1059.41	2998.19
Proceeds from Short term Borrowing( Net)	1,439.54	1243.85
<b>Net Cash from Financing Activities (C)</b>	<b>3931.30</b>	<b>5515.24</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(187.69)</b>	<b>334.70</b>
Cash & Cash Equivalents as at 31st March, 2013	625.87	
Cash & Cash Equivalents as at 31st March, 2014	438.18	
Cash & Cash Equivalents as at 31st March, 2012		291.17
Cash & Cash Equivalents as at 31st March, 2013		625.87

### AUDITOR'S REPORT

As per our separate report of even date

For **J. K. Jain & Associates**

Chartered Accountants

Firm Registration No. 004025N

For and on behalf of the Board of Directors

(J.K. Jain)

Partner

M. No. : 083140

(Peeyush Jain)

Deputy Managing Director

(Pawan Chaudhary)

Chairman cum Managing Director

Place : Panchkula

Date : 14th November, 2014

(Neha Kodan)

Company Secretary

(Ajeet Kapoor)

DGM Accounts

## NOTES ON FINANCIAL STATEMENT For the period ended on 31st March, 2014

### SIGNIFICANT ACCOUNTING POLICIES

#### (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 of 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 of Accounting Standard -10 i.e. Accounting for Fixed Assets.

#### (iii) Depreciation

Depreciation has been provided on straightline method and on single shift basis at the rates specified in the schedule XIV of the Companies Act, 1956, in accordance with accounting standard – 6 i.e accounting for depreciation

#### (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 and 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.
  - Expenses relating to Patents & Trademarks are written off in ten subsequent years.

## NOTES ON FINANCIAL STATEMENT For the period ended on 31st March, 2014

### (ix) 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.

### (x) Translation of Foreign Exchange Transactions (AS-11)

- 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.
- 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.
- 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.

### (xi) Income Tax

- 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.
- 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 is 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.
- 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.

### (xii) 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.

### (xiii) 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. 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.

### (xiv) 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.

### (xv) 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 STATEMENT For the period ended on 31st March, 2014

### NOTE: 1 SHARE CAPITAL

(₹ in Lacs)

Sr. No	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	<b>AUTHORIZED SHARE CAPITAL</b>		
	15000000 Equity Shares of ₹10/- each.	1500.00	1500.00
	(Previous Year 15000000 Equity Shares of ₹10/- each)		
		1500.00	1500.00
2	<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b>		
	11441988 Equity Shares of ₹10/- each, Fully paid up	1144.20	1054.20
	(Previous year 1,05,41,988 Equity Shares of 10/- each )		
	<b>Total</b>	<b>1144.20</b>	<b>1054.20</b>

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

Sr. No	Name of Shareholders	No. of Shares (%)	No. of Shares (%)
1	Sunev Pharma Solutions Limited	29,00,000 (25.34%)	20,00,000 (18.97%)
2	Rel Utility Engineers Ltd formally known (Sonata Investments Limited)	11,95,995(10.45%)	11,95,995 (11.35%)
3	Pawan Chaudhary	11,33,902 (9.91%)	11,33,902 (10.76%)
4	Manu Chaudhary	9,71,000 (8.48%)	9,71,000 (9.21%)

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

Sr. No	Particulars	No. of Shares	No. of Shares
1	Equity Shares at the beginning of the year	10,541,988	9,741,988
2	Add: Shares issued during the year	900,000	800,000
	<b>Equity Shares at the end of the year</b>	<b>11,441,988</b>	<b>10,541,988</b>

1.4 During the year company has allotted 9.00 Lacs Equity Shares to Sunev Pharma Solutions Limited on conversion of Share Warrants.

### NOTE: 2 RESERVE & SURPLUS

(₹ in Lacs)

Sr. No	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	<b>Securities Premium</b>		
	As per last Balance Sheet	5031.35	3413.75
	Add: Securities Premium collected on share issue	1819.80	1617.60
	<b>Total A</b>	<b>6851.15</b>	<b>5031.35</b>
2	<b>General Reserve</b>		
	As per last Balance Sheet	21029.77	17364.70
	Add : Addition during the year	3000.00	3000.00
	Add : Mat Credit for Previous Years	(9.63)	665.07
	<b>Total B</b>	<b>24020.14</b>	<b>21029.77</b>
3	<b>Surplus (Profit &amp; Loss Account)</b>		
	As per last Balance Sheet	11631.06	9256.36
	Add: Profit for the period	6095.02	5714.52
	Less: Appropriations		
	-Provision for Dividend	-	292.39
	- Taxes on Dividend	-	47.43
	Less: Transfer to General Reserve	3000.00	3000.00
	<b>Total C</b>	<b>14726.07</b>	<b>11631.06</b>
	<b>Total (A+B+C)</b>	<b>45597.37</b>	<b>37692.18</b>

## NOTES ON FINANCIAL STATEMENT For the period ended on 31st March, 2014

### NOTE: 3 LONG TERM BORROWINGS

A. Secured Loans			(₹ in Lacs)
Sr. No	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	Term Loans	11427.18	10389.32
	Secured by first charge on Fixed Assets & second charge on current assets of the company & personal guarantee of the directors		
2	Long Term Maturities of Vehicle loan obligation	1.23	-
	<b>Total</b>	<b>11428.40</b>	<b>10389.32</b>

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

1-2 Years	2-3 Years	3-4 Years
4178.06	3170.44	4078.68

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

1-2 Years	2-3 Years
0.68	0.55

B. Unsecured Loans			(₹ in Lacs)
Sr. No	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	Bonds		
	Foreign Currency Convertible Bonds (45,95,833 Bonds convertible at ₹364 per Equity Share outstanding including premium of ₹354 per share)	2522.19	2522.19
	<b>Total</b>	<b>2522.19</b>	<b>2522.19</b>

### NOTE: 4 DEFERRED TAX LIABILITY (net)

1	Deferred Tax Liability	1778.53	1468.09
	<b>Total</b>	<b>1778.53</b>	<b>1468.09</b>

### NOTE: 5 OTHER LONG TERM LIABILITIES

1	Security Retained from Staff	18.08	14.12
2	Security Retained from Contractors	34.87	18.70
3	Security in lieu of C Form	9.04	8.85
4	Security from Stockist	4.91	4.91
	<b>Total</b>	<b>66.90</b>	<b>46.58</b>

### NOTE: 6 LONG TERM PROVISIONS

1	Provision For Employees Benefit		
	Provision for Gratuity	194.70	173.74
	Provision for Leave Encashment	136.70	117.63
	<b>Total</b>	<b>331.39</b>	<b>291.38</b>

## NOTES ON FINANCIAL STATEMENT For the period ended on 31st March, 2014

### NOTE: 7 SHORT TERM BORROWINGS

Secured Loans			(₹ in Lacs)
Sr. No	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	Working Capital Loan from Bank	11007.67	9568.13
	Secured by first charge on current assets of the company & second charge on fixed assets & further secured by personal Guarantee of Directors		
	<b>Total</b>	<b>11007.67</b>	<b>9568.13</b>

### NOTE: 8 TRADE PAYABLES

1	Micro, Small and Medium Enterprises	86.66	82.93
2	Others	2727.52	1704.04
	<b>Total</b>	<b>2814.17</b>	<b>1786.97</b>

### NOTE: 9 OTHER CURRENT LIABILITIES

1	Current Maturities of Long Term debts	3826.67	4636.48
2	Current Maturities of Vehicle Loan Obligation	0.74	9.34
3	Advance From Customers	178.11	115.20
4	Creditors for Capital Expenditure	154.12	96.28
5	Unclaimed Dividends	54.04	51.45
6	Creditor For Expenses	159.96	162.31
7	Other Payable	1038.71	690.31
8	Provision for Gratuity	35.38	18.46
9	Provision for Leave Encashment	12.40	8.43
	<b>Total</b>	<b>5460.12</b>	<b>5788.28</b>

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

### NOTE: 10 SHORT TERM PROVISIONS

	Others		
1	Provision for Taxation	1377.78	1253.93
2	Provision for Dividend	-	292.39
3	Provision for Dividend Tax	-	47.43
4	Provision for MIT	67.08	265.17
5	Provision for Excise Duty on Finished Goods	6.28	4.00
	<b>Total</b>	<b>1451.15</b>	<b>1862.92</b>



## NOTES ON FINANCIAL STATEMENT For the period ended on 31st March, 2014

### NOTE: 11 FIXED ASSET

(₹ in Lacs)

Sr. No	Rate	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	Value at the end	WDV as on 31.03.2014
<b>I Tangible Assets</b>									
1 Land	0.00%	922.94		-	922.94	-		-	922.94
2 Building	3.34%	4414.03	37.16	-	4451.20	727.80	148.14	875.94	3575.26
3 Building for R & D	3.34%	1260.40	30.62	-	1291.02	241.83	42.58	284.41	1006.61
4 Plant & Machinery	4.75%	7194.97	634.45	-	7829.42	1520.23	355.86	1876.10	5953.32
5 R & D Pilot Plant	4.75%	855.39	100.45	-	955.85	143.96	42.09	186.05	769.80
6 R & D Equipment	4.75%	2818.03	732.71	-	3550.74	677.71	154.99	832.69	2718.05
7 Computer, I.T and Communication Equipment	16.21%	1791.08	333.07	-	2124.15	946.48	307.25	1253.73	870.42
8 D G Set	13.91%	215.06	-	-	215.06	94.42	29.91	124.33	90.73
9 Electrical Installation	4.75%	703.67	85.00	-	788.67	145.27	34.75	180.02	608.65
10 Furniture & Fixture	6.33%	520.69	73.02	-	593.71	158.82	34.88	193.71	400.00
11 Lab Equipment	7.07%	1254.21	640.10	-	1894.31	239.84	114.23	354.06	1540.25
12 Misc. Fixed Assets	4.75%	517.16	90.33	-	607.49	104.97	26.10	131.07	476.41
13 Office Equipment/ Security Equipment	7.07%	330.45	57.67	-	388.12	79.68	24.41	104.09	284.03
14 Pollution Control	4.75%	436.06	55.11	-	491.17	54.77	21.21	75.98	415.19
15 Vehicles	9.50%	474.80	2.68	4.52	472.95	243.73	44.97	288.71	184.25
<b>TOTAL</b>		<b>23708.95</b>	<b>2872.37</b>	<b>4.52</b>	<b>26576.79</b>	<b>5379.51</b>	<b>1381.38</b>	<b>6760.89</b>	<b>19815.90</b>
<b>(Previous Year)</b>		<b>20655.77</b>	<b>3065.21</b>	<b>12.03</b>	<b>23708.95</b>	<b>4219.92</b>	<b>1159.59</b>	<b>5379.51</b>	<b>18329.44</b>
<b>II Capital Work-in-progress</b>									
1 Building Under Construction		3729.83							5656.13
2 Plant & Machinery		451.17							313.44
3 Electrical		0.80							16.23
4 R & D Block		185.12							170.53
<b>TOTAL</b>		<b>4366.92</b>							<b>6156.33</b>
<b>(Previous Year)</b>		<b>1778.02</b>							<b>4366.92</b>
<b>III Intangible Assets</b>									
1 Patent IPR Technologies		16734.86	2498.59	-	19233.46	3203.75	1695.45	4899.21	14334.25
2 Product & Process Development		7739.08	2011.49	-	9750.58	1507.65	784.07	2291.71	7458.86
<b>TOTAL</b>		<b>24473.95</b>	<b>4510.09</b>	<b>-</b>	<b>28984.03</b>	<b>4711.40</b>	<b>2479.52</b>	<b>7190.92</b>	<b>21793.11</b>
<b>(Previous Year)</b>		<b>19844.91</b>	<b>4629.03</b>	<b>-</b>	<b>24473.95</b>	<b>2694.81</b>	<b>2016.59</b>	<b>4711.40</b>	<b>19762.54</b>
<b>IV Intangible Assets Under Development</b>									
		413.62							623.59
<b>TOTAL</b>		<b>413.62</b>							<b>623.59</b>
<b>(Previous Year)</b>		<b>522.47</b>							<b>413.62</b>

### NOTE: 12 NON CURRENT INVESTMENT

#### A. Other Investments

(₹ in Lacs)

Sr. No	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	In the Equity Shares of WOS		
	Unquoted , fully paid up		
	Venus Pharma GmBH	2873.61	2873.61
	<b>Total</b>	<b>2873.61</b>	<b>2873.61</b>

## NOTES ON FINANCIAL STATEMENT For the period ended on 31st March, 2014

### NOTE: 13 LONG TERM LOANS AND ADVANCES

(Unsecured , Considered good)

(₹ in Lacs)

Sr. No	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	Security Deposit	44.44	20.66
	Other Loans & Advances		
	Mat Credit	5453.74	4253.37
	<b>Total</b>	<b>5498.18</b>	<b>4274.03</b>

### NOTE: 14 INVENTORIES

1	Raw Material	8621.75	7144.02
2	Work-in-Progress	2947.84	2573.15
3	Finished Goods	2490.62	2633.06
4	Consumables	8.05	8.20
5	Stores & Spares	6.93	10.37
6	Printing & Stationary	3.38	5.71
7	Goods-in-transit		
	a) Raw Material	53.69	225.15
	b) Packing Material	13.39	40.02
	<b>Total</b>	<b>14145.65</b>	<b>12639.68</b>

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

### NOTE: 15 TRADE RECEIVABLES

(Unsecured, Considered good)

1	Outstanding for more than six months	66.65	27.57
2	Others	6213.71	5283.69
	<b>Total</b>	<b>6280.35</b>	<b>5311.26</b>

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.

### NOTE: 16 CASH & CASH EQUIVALENT

1	<b>Cash-in-Hand</b>		
	Cash Balance	5.88	5.50
	Foreign Exchange in Hand	1.10	0.72
	<b>Sub Total (A)</b>	<b>6.98</b>	<b>6.22</b>
2	<b>Bank Balance</b>		
	In current Accounts	63.46	315.16
	<b>Sub Total (B)</b>	<b>63.46</b>	<b>315.16</b>
3	<b>Fixed Deposits</b>		
	Fixed Deposit being Margin Money	367.74	304.49
	<b>Sub Total (C)</b>		
	<b>Total [A + B + C]</b>	<b>438.18</b>	<b>625.87</b>

16.1 Balance with Banks includes Unclaimed Dividend of ₹54.04 Lacs (Previous Year ₹51.45 Lacs).

16.2 Fixed deposits with banks include deposits of ₹18.19 Lacs (Previous year ₹65.52 Lacs) with the maturity of more than 12 months.

16.3 An amount of ₹367.74 Lacs (Previous Year ₹304.49 Lacs) is held with Banks as margin money for Bank Guarantees/ Letter of Credit.

## NOTES ON FINANCIAL STATEMENT For the period ended on 31st March, 2014

### NOTE: 17 SHORT TERMS LOANS AND ADVANCES

(Unsecured, Considered good)

(₹ in Lacs)

Sr. No	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	Balance with Revenue Authorities under Indirect Taxes	19.23	24.33
2	Loan to Staff	63.06	73.44
3	Other Loans & Advances	5894.91	4252.94
	(Advance Recoverable in cash or in kind or for value to be considered good)		
<b>Total</b>		<b>5977.21</b>	<b>4350.71</b>

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

### NOTE: 18 REVENUE FROM OPERATIONS

(₹ in Lacs)

Sr. No	Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
1	Sale of products	51954.39	46025.79
2	Income from research activities	213.22	154.68
3	Other Operating Revenue	202.48	69.46
4	Exchange Fluctuation (Net)	320.88	-
<b>Total</b>		<b>52690.96</b>	<b>46249.93</b>
	Less : Excise duty	85.38	116.10
<b>Total</b>		<b>52605.58</b>	<b>46133.83</b>

18.1 Other Operating Revenue includes ₹1.31 crores received / receivable from Government as Export Incentives.

### NOTE: 19 OTHER INCOME

1	Bank Interest	24.55	15.66
2	Misc. Income (Recovery & Income)	2.67	14.15
3	Insurance Claim Received	2.11	3.92
4	Income from Sales of Scrap	11.28	5.78
<b>Total</b>		<b>40.62</b>	<b>39.50</b>

### NOTE: 20 COST OF MATERIAL CONSUMED

Opening Stock		
- Raw Material	7144.02	5216.42
Add : Purchases	31605.88	29183.42
<b>Total</b>	<b>38749.90</b>	<b>34399.84</b>
Less : Closing Stock	8621.75	7144.02
<b>Total</b>	<b>30128.14</b>	<b>27255.82</b>

#### 20.1 Detail Of Material Consumed

Sr. No	Particulars	Year ended 31st March, 2014		Year ended 31st March, 2013	
		Kgs.	(₹ in Lacs)	Kgs.	(₹ in Lacs)
1	Anti – Biotics / Anti Bacterials	11268	1304.06	13520	1575.19
2	Anti Inflammatory / Analgesics	20367	839.57	18810	721.42
3	Osmotic Diuretics	201306	655.53	218289	800.05
4	Anti Blood Coagulant	16831	2048.68	2834	272.60
5	Cephalosporins / FDC	50094	5675.30	58321	8111.79
6	Carbapenem	2710	4221.52	2409	3650.52
7	Anti-Cancer	144	4264.80	92	3663.65
8	Other Material	-	4220.87	-	3015.33
9	Packing Material	-	6897.81	-	5445.27
<b>Total</b>		<b>302720.00</b>	<b>30128.14</b>	<b>314275.79</b>	<b>27255.82</b>

## NOTES ON FINANCIAL STATEMENT For the period ended on 31st March, 2014

### NOTE: 20 COST OF MATERIAL CONSUMED (contd.)

#### 20.2 Particulars Of Material Consumed

Sr. No	Particulars	Year ended 31st March, 2014		Year ended 31st March, 2013	
		(₹ in Lacs)	(% Consumed)	(₹ in Lacs)	(% Consumed)
1	Imported	7402.15	(24.57)	6947.50	(25.49)
2	Indigenous	22725.99	(75.43)	20308.32	(74.51)
<b>Total</b>		<b>30128.14</b>	<b>(100)</b>	<b>27255.82</b>	<b>(100)</b>

### NOTE: 21 CHANGE IN INVENTORIES

(₹ in Lacs)

Sr. No	Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
1	Opening Stock		
	- Finished Goods	2633.06	2015.87
	-Work In Progress	2573.15	2261.06
	<b>Total (A)</b>	<b>5206.22</b>	<b>4276.93</b>
2	Closing Stock		
	- Finished Goods	2490.62	2633.06
	- Work in progress	2947.84	2573.15
	<b>Total (B)</b>	<b>5438.46</b>	<b>5206.21</b>
	<b>Change in Inventories (A-B)</b>	<b>(232.24)</b>	<b>(929.29)</b>

### NOTE: 22 EMPLOYEE BENEFIT EXPENSES

1	Salaries & Wages	2338.62	2146.76
2	Contribution to Provident Fund and other funds	137.62	130.88
3	Staff Welfare Expenses	80.30	46.16
<b>Total</b>		<b>2556.54</b>	<b>2323.79</b>

#### 22.1 Reconciliation of fair value of assets and obligations

1	Gratuity		
	Fair Value Of Plan Assets	-	-
	Present value of obligation	230.08	192.21
	<b>Amount recognised in balance Sheet</b>	<b>230.08</b>	<b>192.21</b>
2	Leave Encashment		
	Fair Value Of Plan Assets	-	-
	Present value of obligation	149.09	126.06
	<b>Amount recognised in balance Sheet</b>	<b>149.09</b>	<b>126.06</b>

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

1	Gratuity		
	Current Service Cost	39.13	34.83
	Interest Cost	17.30	11.97
	Net Actuarial (gain)/loss recognised in the period	(6.49)	0.53
	<b>Expense recognised in the P&amp;L Statement</b>	<b>49.94</b>	<b>47.33</b>
2	Leave Encashment		
	Current Service Cost	52.18	47.44
	Interest Cost	11.35	8.02
	Net Actuarial (gain)/loss recognised in the period	(30.52)	(19.78)
	<b>Expense recognised in the P&amp;L Statement</b>	<b>33.01</b>	<b>35.68</b>

## NOTES ON FINANCIAL STATEMENT For the period ended on 31st March, 2014

### NOTE: 23 FINANCIAL COST

(₹ in Lacs)

Sr. No	Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
1	Interest Expenses	2497.26	2147.85
2	Exchange Fluctuation	162.88	112.42
3	Other Borrowing Cost	269.22	184.68
	<b>Total</b>	<b>2929.36</b>	<b>2444.95</b>

### NOTE: 24 DEPRECIATION & AMORTISED COST

1	Depreciation	1381.38	1159.59
2	Amortisation of Intangible Assets	2479.52	2016.59
	<b>Total</b>	<b>3860.90</b>	<b>3176.19</b>

### NOTE: 25 OTHER EXPENSES

#### A. Manufacturing Expenses

1	Power & Fuel	310.62	285.84
2	Consumables	107.73	105.19
3	Repair & Maintenance		
	- Building	23.03	27.47
	- Electrical	10.57	10.85
	- Plant & Machinery	75.68	65.42
4	Other Manufacturing Expenses	118.73	101.07
	<b>Total</b>	<b>646.36</b>	<b>595.83</b>

#### B. Administration Expenses

1	Rent	1.11	0.99
2	Rates, Fee & Taxes	6.52	7.03
3	Insurance	21.98	12.86
4	Legal and Professional Expenses	71.85	59.10
5	Postage, Telex & Telegram	2.99	2.53
6	Printing & Stationery	29.83	30.80
7	Telephone Expenses	33.14	23.38
8	Traveling & Conveyance:		
	- Staff	40.48	31.30
	- Directors	9.16	9.51
	- Others	4.79	0.36
9	Running, Repair & Maintenance :		
	- Vehicles	73.60	59.77
	- Computer	11.75	10.90
	- Others	8.96	10.75
10	Auditors' Fees	11.70	11.14
11	Directors Remuneration	177.79	156.10
12	Other Administrative Expenses	97.09	66.32
13	Other Corporate Expenses	165.43	138.15
	<b>Total</b>	<b>768.16</b>	<b>630.99</b>

## NOTES ON FINANCIAL STATEMENT For the period ended on 31st March, 2014

### NOTE: 25 OTHER EXPENSES (contd.)

#### C. Selling and Distribution Expenses

(₹ in Lacs)

Sr. No	Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
1	Discount / Commission	1063.43	976.02
2	Other Selling Expenses	763.12	560.33
3	Advertisement & Sales Promotion	1073.11	601.61
4	Sample Distribution	76.09	36.51
5	Incentive to Field Force	88.34	91.49
6	Traveling and conveyance Field Staff (Incl. Hotel)	685.98	539.25
	<b>Total</b>	<b>3750.07</b>	<b>2805.21</b>

#### D. Research and Development Expenses

1	Remuneration of R & D Staff	442.82	403.53
2	R & D Expenses	441.99	435.61
3	Material used for Development of new products	655.79	643.80
4	R & D Consumables	125.06	119.69
	<b>Total</b>	<b>1665.67</b>	<b>1602.64</b>
	<b>GRAND TOTAL</b>	<b>6830.25</b>	<b>5634.67</b>

### NOTE: 26

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.

### NOTE: 27 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	₹60,95,01,821	₹57,14,52,458
	<b>No. of shares as on 31st March, 2014</b>	<b>No. of shares as on 31st March, 2013</b>
Weighted average number of shares in calculating the basic EPS	1,12,47,193	97,46,372
Add : Weighted average number of shares under FCCB	5,68,924	5,68,924
Add : Weighted average number of Share warrants	-	9,00,000
<b>Weighted average number of shares in calculating Diluted EPS</b>	<b>1,18,16,117</b>	<b>1,12,15,296</b>
<b>Earning per share ( Face value ₹10 /each)</b>		
Earning per share - Basic in ₹	54.19	58.63
Earning per share - Diluted in ₹	51.58	50.95

### NOTE: 28

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.

### NOTE: 29

The company has continued investing in its intellectual Property rights and in result of that company has got many patents for its R&D products. This year company has been granted for patent rights for Elores from Japan, Achnil from USA and many more. Elores a block buster product of the company has been awarded the UBM India Pharma Award 2013.



## NOTES ON FINANCIAL STATEMENT For the period ended on 31st March, 2014

### NOTE: 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.

### NOTE: 31

As per the provisions of FCCB agreement, the FCCB will be converted into equity shares by automatic route without the option of bond holders. The conversion is due on 1st February, 2015. The foreign exchange rate has been fixed at ₹45.06 per USD as per the FCCB agreement for the purpose of conversion.

### NOTE: 32

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

### NOTE: 33 PAYMENTS TO AUDITORS

(₹ in Lacs)

Sr. No	Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
1	Statutory Audit Fees	8.90	8.48
2	Tax Audit Fees	1.51	1.43
	Add: Service Tax	1.29	1.23
	<b>Total</b>	<b>11.70</b>	<b>11.14</b>

### NOTE: 34 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF

(₹ in Lacs)

1	Raw & Packing Material	9204.89	6947.50
2	Capital Goods	NIL	NIL

### NOTE: 35 EXPENDITURE IN FOREIGN EXCHANGE

(Currency in Lacs)

Salary	USD	1.41	1.39
Traveling	USD	0.05	0.17
	EURO	0.04	0.03
	ZAR/GBP	-	0.03
Regulatory Fee for Patent / Products & Plant Registration / Export	USD	22.04	20.27
	EURO	11.11	10.27
	JPN	6.37	11.61
Exhibition Expenses	EURO	-	0.01
Remittance on account of dividend	USD	0.01	0.01
Subscription / Publication	USD	0.03	0.01
	GBP	0.0005	-
	AUD	0.004	-
Commission / Incentive	USD	0.66	0.47
	EURO	0.02	0.04

### NOTE: 36 EARNINGS IN FOREIGN EXCHANGE

#### Value of Export on FOB Basis

(Currency in Lacs)

Sales	USD	67.05	58.22
	EURO	115.04	65.27
R & D Activities	USD	1.94	0.72
	EURO	0.34	0.17

## NOTES ON FINANCIAL STATEMENT For the period ended on 31st March, 2014

### NOTE: 37 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	Year ended 31st March, 2014	Year ended 31st March, 2013
Allotment of Share capital (Including Premium)	-	1909.80	-	1909.80	1697.60
Sales & Others	7992.76	31.99	-	8024.75	3859.36
Purchases and Others	121.22	870.88	-	992.10	860.89
Remuneration to Directors/KMP	-	-	177.79	177.79	156.10
Advance for in licensing of Technology	-	1170.00	-	1170.00	1242.45

#### 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

### NOTE: 38 REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

(₹ in Lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Number of Non Residents Share Holders	19	19
Number of Equity Shares held by them	20700	20300
(I) Amount of dividend paid	0.62	0.61
(ii) Tax Deducted at Source	Nil	Nil
(iii) Year to which the dividend relates	2012-13	2011-12

### NOTE: 39 CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Contingent Liabilities		
a) Letter of Credit / Bank Guarantees – Inland	81.43	357.18
b) Bank Guarantees foreign	24.70	40.48
c) Letter of credit – Foreign	379.48	1381.89
d) Interest on FCCB's	84.07	100.89
e) Tax demand pending in appeal	140.11	38.72

### NOTE: 40

In light of lending institutions` terms for Corporate Debt Rephasing which have mandated not to declare dividend for the year 2013-14. In compliance of such terms the recommendation of the dividend made on 13th August, 2014 stands withdrawn by the Board. Consequently the Board approved the revision of audited Financial Results for the year ended on 31st March, 2014 to the extent of removal of accounting for dividend & dividend tax for the year ended on 31st March, 2014. There is no other revision of the audited balance sheet.

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

For and on behalf of the Board of Directors

(J.K. Jain)  
Partner  
M. No. : 083140

(Peeyush Jain)  
Deputy Managing Director

(Pawan Chaudhary)  
Chairman cum Managing Director

Place : Panchkula  
Date : 14th November, 2014

(Neha Kodan)  
Company Secretary

(Ajeet Kapoor)  
DGM Accounts

## Venus Pharma GmbH, Germany

(₹ in Lacs)

Sr No.	Particulars	31.03.2014		31.03.2013	
		Euro In Lacs	₹ In Lacs	Euro In Lacs	₹ In Lacs
(a)	Capital	49.42	4081.58	49.42	3437.41
(b)	Reserves	(21.63)	(1786.41)	(26.20)	(1795.15)
(c)	Total Assets	37.62	3106.21	42.71	2997.38
(d)	Total Liability	9.83	811.04	19.49	1355.13
(e)	Turnover	121.94	9274.45	63.94	4408.32
(f)	Profit before Tax	4.57	334.66	0.19	16.41
(g)	Provision of Taxation	NIL	NIL	NIL	NIL
(h)	Profit After Tax	4.57	334.66	0.19	16.41
(i)	Proposed dividend	NIL	NIL	NIL	NIL

## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
**VENUS REMEDIES LIMITED**  
**PANCHKULA**

- The original financial statements of Venus Remedies Limited for the year ended 31st March, 2014 have now been revised by the Company in the manner and for the reasons explained in the Notes attached to the revised financial statements. Consequently the Consolidated financial statements of M/s Venus Remedies Ltd. have also been revised.

We have audited the revisions carried out in the original financial statements of Venus Remedies Limited for the year ended 31st March, 2014 subsequent to our report dated 14th November, 2014. Consequently we submit our report on the accompanying revised Consolidated financial statements of M/s Venus Remedies Ltd. and its wholly owned subsidiary, Venus Pharma GMBH which comprise the revised Consolidated Balance Sheet as at 31st March, 2014, and the revised Consolidated Statement of Profit and Loss and revised Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

- Management is responsible for the preparation of these revised 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control 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.
- Our responsibility is to express an opinion on these revised 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.
- 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall

presentation of the financial statements.

- We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
- We report that revised Consolidated Financial Statements have been prepared in accordance with the requirements of Accounting Standard (AS)-21, "Consolidated financial Statements", issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the company and its subsidiary included in the consolidated financial statements.
- In our opinion and to the best of our information and according to the explanations given to us, the revised 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.
  - in the case of the revised Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
  - in the case of the revised Consolidated Statement of Profit and Loss, of the profit/ loss for the year ended on that date; and
  - in the case of the revised Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.
- As required by section 227(3) of the Act, we report that:
  - 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;
  - 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
  - the revised Consolidated Balance Sheet, revised Consolidated Statement of Profit and Loss, and revised Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - in our opinion, the revised Consolidated Balance Sheet, revised Consolidated Statement of Profit and Loss, and revised Consolidated Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

For **J.K. Jain & Associates**  
Chartered Accountants  
FRN:004025N

**(J.K. JAIN)**  
Partner

Place: Panchkula  
Date: 14th November, 2014

M. No. :083140

## CONSOLIDATED BALANCE SHEET As at 31st March, 2014

(₹ in Lacs)

Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	1144.20	1054.20
(b) Reserves and Surplus	2	45016.55	36380.90
(c) Money received against share warrants		-	477.45
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	3	13998.40	12911.52
(b) Deferred Tax Liabilities (Net)	4	1778.53	1468.09
(c) Other Long term Liabilities	5	66.90	46.58
(d) Long Term Provisions	6	331.39	291.38
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	7	11007.67	9568.13
(b) Trade Payables	8	3122.29	1876.06
(c) Other Current Liabilities	9	5518.07	5817.51
(d) Short-Term Provisions	10	1451.15	1862.92
<b>Total</b>		<b>83435.16</b>	<b>71754.73</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	11		
(i) Tangible Assets		21946.73	20157.05
(ii) Capital WIP		6156.33	4366.92
(iii) Intangible Assets		21998.83	19985.32
(iv) Intangible Assets under Development		623.59	413.62
(b) Long term loans and advances	12	5498.18	4274.03
<b>(2) Current Assets</b>			
(a) Inventories	13	14225.56	12802.66
(b) Trade receivables	14	6498.58	4711.32
(c) Cash and cash equivalents	15	440.71	635.78
(d) Short-term loans and advances	16	6046.65	4408.02
<b>Total</b>		<b>83435.16</b>	<b>71754.73</b>
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.

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

For and on behalf of the Board of Directors

(J.K. Jain)  
Partner  
M. No. : 083140

(Peeyush Jain)  
Deputy Managing Director

(Pawan Chaudhary)  
Chairman cum Managing Director

Place : Panchkula  
Date : 14th November, 2014

(Neha Kodan)  
Company Secretary

(Ajeet Kapoor)  
DGM Accounts

## STATEMENT OF CONSOLIDATED PROFIT & LOSS For the period ended on 31st March, 2014

(₹ in Lacs)

Particulars	Note No.	Year ended 31st March, 2014	Year ended 31st March, 2013
<b>I Revenue from operations</b>	17	54155.70	46863.73
<b>II Other Income</b>	18	47.20	43.86
<b>III Total Revenue (I + II)</b>		<b>54202.90</b>	<b>46907.59</b>
<b>IV Expenses:</b>			
Cost of materials consumed	19	30,128.15	27,255.82
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	(127.60)	(1,030.01)
Employee Benefit Expenses	21	3044.56	2730.21
Finance Costs	22	2940.40	2462.95
Depreciation and Amortization Expenses	23	4021.67	3307.61
Other Expenses	24	7287.80	5897.40
<b>Total Expenses (IV)</b>		<b>47294.99</b>	<b>40623.99</b>
<b>V Profit before Tax</b>	(III - IV)	<b>6907.91</b>	<b>6283.60</b>
<b>VI Tax expense:</b>			
(1) Current tax		1377.78	1253.93
(2) Deferred tax		310.44	304.21
(3) Mat Credit		(1,210.00)	(1,005.46)
<b>VII Profit/(Loss) for the period</b>		<b>6429.68</b>	<b>5730.93</b>
<b>VIII Earning per equity share:</b>			
Basic earning per share		57.17	58.80

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

For and on behalf of the Board of Directors

(J.K. Jain)  
Partner  
M. No. : 083140

(Peeyush Jain)  
Deputy Managing Director

(Pawan Chaudhary)  
Chairman cum Managing Director

Place : Panchkula  
Date : 14th November, 2014

(Neha Kodan)  
Company Secretary

(Ajeet Kapoor)  
DGM Accounts



## CONSOLIDATED CASH FLOW STATEMENT For the period ended on 31st March, 2014

(₹ in Lacs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax & extraordinary items	6,907.90	6,283.61
Adjustment for Depreciation	4,021.67	3,307.61
Increase in Long Term Provision for Gratuity & Leave encashment	(40.02)	-
Adjustment of excess MAT Transferred to General Reserve	(9.63)	665.07
Adjustment reversing effect on profit of non-cash operating activities	(37.10)	0.42
Exchange Fluctuation	(191.24)	114.60
Interest Received	(24.57)	(15.78)
Interest Paid	3.49	-
Bed Debt allowances	2.24	-
Profit / Loss on sale of Fixed Assets	(3.52)	-
<b>Operating Profit before working capital changes</b>	<b>10,629.23</b>	<b>10,355.52</b>
Adjustments for increase /decrease in Current Assets	(3,931.61)	(8,190.63)
Decrease / Increase in Current Liabilities/ Provisions	(1,433.07)	3,050.10
<b>Net Cash Flow from operating activities (A)</b>	<b>5,264.55</b>	<b>5,214.99</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale/Purchase of Fixed Assets Including		
Capitalization of Expenses(NET)	(7,677.45)	(7,824.72)
Increase/ Decrease in Capital work in progress	(1,789.41)	(2,580.05)
Interest Received	24.57	15.78
Proceeds from loans and advances	(23.78)	-
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(9,466.06)</b>	<b>(10,388.99)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital	90.00	80.00
proceed from share capital(share premium)	1,819.80	715.75
Proceeds from share warrants	(477.45)	477.45
Interest Paid	(3.49)	-
Proceeds from Long Term Borrowing( Net)	1,138.04	2,998.19
Proceeds from Short term Borrowing( Net)	1,439.54	1,243.85
<b>Net Cash from Financing Activities (C)</b>	<b>4006.44</b>	<b>5,515.24</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(195.07)</b>	<b>341.25</b>
Cash & Cash Equivalents as at 31.03.2013	635.78	
Cash & Cash Equivalents as at 31.03.2014	440.71	
Cash & Cash Equivalents as at 31.03.2012		294.53
Cash & Cash Equivalents as at 31.03.2013		635.78

### AUDITOR'S REPORT

As per our separate report of even date

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

For and on behalf of the Board of Directors

(J.K. Jain)  
Partner  
M. No. : 083140

(Peeyush Jain)  
Deputy Managing Director

(Pawan Chaudhary)  
Chairman cum Managing Director

Place : Panchkula  
Date : 14th November, 2014

(Neha Kodan)  
Company Secretary

(Ajeet Kapoor)  
DGM Accounts

## SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As on 31st March, 2014

### 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:
  - 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.
  - 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.
  - 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.
  - 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.
  - 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.
  - 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.
  - 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.
- Investment other than in subsidiaries and associates has been accounted as per Accounting Standard (AS-13) on "Accounting for Investments".
- 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 STATEMENT For the period ended on 31st March, 2014

### NOTE: 1 SHARE CAPITAL

(₹ in Lacs)

Sr. No	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	<b>AUTHORIZED SHARE CAPITAL</b>		
	15000000 Equity Shares of ₹10/- each.	1500.00	1500.00
	(Previous Year 15000000 Equity Shares of ₹10/- each)		
		1500.00	1500.00
2	<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b>		
	11441988 Equity Shares of ₹10/- each, Fully paid up	1144.20	1054.20
	(Previous year 1,05,41,988 Equity Shares of ₹10/- each )		
	<b>Total</b>	<b>1144.20</b>	<b>1054.20</b>

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

Sr. No	Name of Shareholders	No. of Shares (%)	No. of Shares (%)
1	Sunev Pharma Solutions Limited	29,00,000 (25.34%)	20,00,000 (18.97%)
2	Rel Utility Engineers Ltd formally known (Sonata Investments Limited)	11,95,995(10.45%)	11,95,995 (11.35%)
3	Pawan Chaudhary	11,33,902 (9.91%)	11,33,902 (10.76%)
4	Manu Chaudhary	9,71,000 (8.48%)	9,71,000 (9.21%)

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

Sr. No	Particulars	No. of Shares	No. of Shares
1	Equity Shares at the beginning of the year	10,541,988	9,741,988
2	Add: Shares issued during the year	900,000	800,000
	<b>Equity Shares at the end of the year</b>	<b>11,441,988</b>	<b>10,541,988</b>

1.4 During the year company has allotted 9.00 Lacs Equity Shares to Sunev Pharma Solutions Limited on conversion of Share Warrants.

### NOTE: 2 RESERVE & SURPLUS

(₹ in Lacs)

Sr. No	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	<b>Securities Premium</b>		
	As per last Balance Sheet	5031.35	3413.75
	Add: Securities Premium collected on share issue	1819.80	1617.60
	<b>Total A</b>	<b>6851.15</b>	<b>5031.35</b>
2	<b>General Reserve</b>		
	As per last Balance Sheet	21029.77	17364.70
	Add : Addition during the year	3000.00	3000.00
	Add : Mat Credit for Previous Years	(9.63)	665.07
	<b>Total B</b>	<b>24020.14</b>	<b>21029.77</b>
3	<b>Foreign Exchange Translation Reserve</b>		
	As per Last Balance Sheet	119.24	265.57
	Add: During the year	395.80	(147.19)
	<b>Total</b>	<b>515.04</b>	<b>119.24</b>
4	<b>Surplus (Profit &amp; Loss Account)</b>		
	As per last Balance Sheet	10200.53	7809.42
	Add: Profit for the period	6429.68	5730.93
	Less: Appropriations		
	-Provision for Dividend	-	292.39
	- Taxes on Dividend	-	47.43
	Less: Transfer to General Reserve	3000.00	3000.00
	<b>Total C</b>	<b>13630.21</b>	<b>10,200.53</b>
	<b>Total (A+B+C)</b>	<b>45016.55</b>	<b>36380.90</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENT For the period ended on 31st March, 2014

### NOTE: 3 LONG TERM BORROWINGS

#### A. Secured Loans

(₹ in Lacs)

Sr. No	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	<b>Term Loans</b>	11466.17	10389.32
	Secured by first charge on Fixed Assets & second charge on current assets of the company & personal guarantee of the directors		
2	<b>Long Term Maturities of Vehicle loan obligation</b>	10.04	-
	<b>Total</b>	<b>11476.21</b>	<b>10389.32</b>

#### 3.1 Maturity Profile of Term Loans are as set below:

(₹ in Lacs)

1-2 Years	2-3 Years	3-4 Years
4205.59	3181.90	4078.68

#### 3.2 Maturity Profile of Vehicle Loan obligation are as set below:

(₹ in Lacs)

1-2 Years	2-3 Years	3-4 Years
3.98	3.85	2.21

#### B. Unsecured Loans

(₹ in Lacs)

Sr. No	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	<b>Bonds</b>		
	Foreign Currency Convertible Bonds of (Bonds of 45,95,833 \$ convertible at ₹364 per Equity Share of face value for ₹10 each and ₹354 as share premium)	2522.19	2522.19
	<b>Total</b>	<b>2522.19</b>	<b>2522.19</b>

### NOTE: 4 DEFERRED TAX LIABILITY (net)

1	Deferred Tax Liability	1778.53	1468.09
	<b>Total</b>	<b>1778.53</b>	<b>1468.09</b>

### NOTE: 5 OTHER LONG TERM LIABILITIES

1	Security Retained from Staff	18.08	14.12
2	Security Retained from Contractors	34.87	18.70
3	Security in lieu of C Form	9.04	8.85
4	Security from Stockist	4.91	4.91
	<b>Total</b>	<b>66.90</b>	<b>46.58</b>

### NOTE: 6 LONG TERM PROVISIONS

1	Provision For Employees Benefit		
	Provision for Gratuity	194.70	173.74
	Provision for Leave Encashment	136.70	117.63
	<b>Total</b>	<b>331.39</b>	<b>291.38</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENT For the period ended on 31st March, 2014

### NOTE: 7 SHORT TERM BORROWINGS

Secured Loans			(₹ in Lacs)	
Sr. No	Particulars	As at 31st March, 2014	As at 31st March, 2013	
1	Working Capital Loan from Bank	11007.67	9568.13	
	Secured by first charge on current assets of the company & second charge on fixed assets & further secured by personal Guarantee of Directors			
	<b>Total</b>	<b>11007.67</b>	<b>9568.13</b>	

### NOTE: 8 TRADE PAYABLES

1	Micro, Small and Medium Enterprises	86.66	82.93
2	Others	3035.63	1793.13
	<b>Total</b>	<b>3122.29</b>	<b>1876.06</b>

### NOTE: 9 OTHER CURRENT LIABILITIES

1	Current Maturities of Long Term debts	3854.19	4636.48
2	Current Maturities of Vehicle Loan Obligation	4.04	9.34
3	Advance From Customers	178.11	115.20
4	Creditors for Capital Expenditure	154.12	96.28
5	Unclaimed Dividends	54.04	51.45
6	Creditor For Expenses	159.96	182.00
7	Other Payable	1065.83	699.85
8	Provision for Gratuity	35.38	18.46
9	Provision for Leave Encasement	12.40	8.43
	<b>Total</b>	<b>5518.07</b>	<b>5817.51</b>

### NOTE: 10 SHORT TERM PROVISIONS

	<b>Others</b>		
1	Provision for Taxation	1377.78	1253.93
2	Provision for Dividend	-	292.39
3	Provision for Dividend Tax	-	47.43
4	Provision for MIT	67.08	265.17
5	Provision for Excise Duty on Finished Goods	6.28	4.00
	<b>Total</b>	<b>1451.15</b>	<b>1862.92</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENT For the period ended on 31st March, 2014

### NOTE: 11 FIXED ASSET-PARENT COMPANY

(₹ in Lacs)

Sr. No		Rate	Gross Block				Depreciaton			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	Value at the end	WDV as on 31.03.2014	WDV as on 31.03.2013
I	Tangible Assets										
1	Land	0.00%	922.94	-	-	922.94	-	-	-	922.94	922.94
2	Building	3.34%	4414.03	37.16	-	4451.19	727.80	148.14	875.94	3575.25	3686.23
3	Building for R & D	3.34%	1260.40	30.62	-	1291.02	241.83	42.58	284.41	1006.61	1018.57
4	Plant & Machinery	4.75%	7194.97	634.45	-	7829.42	1520.23	355.86	1876.09	5953.33	5674.74
5	R & D Pilot Plant	4.75%	855.39	100.45	-	955.84	143.96	42.09	186.05	769.80	711.44
6	R & D Equipment	4.75%	2818.03	732.71	-	3550.74	677.71	154.99	832.70	2718.04	2140.32
7	Computer, I.T and Communication Equipment	16.21%	1791.08	333.07	-	2124.15	946.48	307.25	1253.73	870.42	844.60
8	D G Set	13.91%	215.06	-	-	215.06	94.42	29.91	124.33	90.73	120.64
9	Electrical Installation	4.75%	703.67	85.00	-	788.67	145.27	34.75	180.02	608.65	558.40
10	Furniture & Fixture	6.33%	520.69	73.02	-	593.71	158.82	34.88	193.70	400.01	361.87
11	Lab Equipment	7.07%	1254.21	640.10	-	1894.31	239.84	114.23	354.07	1540.24	1014.37
12	Misc. Fixed Assets	4.75%	517.16	90.33	-	607.49	104.97	26.10	131.07	476.42	412.19
13	Office Equipment/ Security Equipment	7.07%	330.45	57.67	-	388.12	79.68	24.41	104.09	284.03	250.77
14	Pollution Control	4.75%	436.06	55.11	-	491.17	54.77	21.21	75.98	415.19	381.30
15	Vehicles	9.50%	474.80	2.68	4.52	472.95	243.73	44.97	288.71	184.25	231.07
	TOTAL		23708.95	2872.37	4.52	26576.79	5379.51	1381.38	6760.89	19815.90	18329.44
	(Previous Year)		20655.77	3065.21	12.03	23708.95	4219.92	1159.59	5379.51	18329.44	16435.86
II	Capital Work-in-progress										
1	Building Under Construction		3729.83							5656.13	3729.83
2	Plant & Machinery		451.17							313.44	451.17
3	Electrical		0.80							16.23	0.80
4	R & D Block		185.12							170.53	185.12
	TOTAL		4366.92							6156.33	4366.92
	(Previous Year)		1778.02							4366.92	1778.02
III	Intangible Assets										
1	Patent IPR Technologies		16734.86	2498.59	-	19233.46	3203.75	1695.45	4899.21	14334.25	13531.11
2	Product & Process Development		7739.08	2011.49	-	9750.57	1507.65	784.07	2291.72	7458.86	6231.43
	TOTAL		24473.95	4510.08	-	28984.03	4711.40	2479.52	7190.92	21793.11	19762.54
	(Previous Year)		19844.91	4629.03	-	24473.95	2694.81	2016.59	4711.40	19762.54	17150.10
IV	Intangible Assets Under Development		413.62							623.59	413.62
	TOTAL		413.62							623.59	413.62
	(Previous Year)		522.47							413.62	522.47



## NOTES ON CONSOLIDATED FINANCIAL STATEMENT For the period ended on 31st March, 2014

### NOTE: 11 FIXED ASSET-SUBSIDIARY COMPANY

(₹ in Lacs)

Sr. No	Rate	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	Value at the end	WDV as on 31.03.2014	WDV as on 31.03.2013
<b>I Tangibles</b>										
1 Land	-	231.10	-	-	231.10	-	-	-	231.10	194.63
2 Building	3.00%	2,191.57	-	-	2,191.57	482.14	65.75	547.89	1,643.68	1,455.36
3 Building Premises	10.00%	46.57	-	-	46.57	31.91	4.66	36.57	10.00	13.37
4 Out Door Facilities	6.67%	92.04	52.85	-	144.89	45.00	7.95	52.95	91.94	41.08
5 Plant & Machinery	7.69%	182.49	-	-	182.49	102.67	14.04	116.71	65.78	70.57
6 Plant & Equipment – I	33.33%	10.52	-	-	10.52	8.57	1.85	10.42	0.09	1.91
7 Plant & Equipment – II	10.00%	37.40	24.48	-	61.89	2.58	5.00	7.58	54.31	29.39
8 Plant & Equipment – III	20.00%	1.14	0.49	-	1.62	1.13	0.07	1.20	0.4220	0.05
9 Plant & Equipment – IV	12.50%	10.48	-	-	10.48	7.07	1.31	8.38	2.10	3.09
10 Plant & Equipment – V	16.67%	6.14	-	-	6.14	2.72	1.02	3.74	2.40	2.95
11 Plant & Equipment – VI	14.29%	0.35	3.72	-	4.07	0.14	0.09	0.23	3.8400	0.18
12 Warehouse Equipment – I	9.09%	0.76	-	-	0.76	0.48	0.07	0.55	0.213	0.25
13 Warehouse Equipment – II	6.67%	19.39	-	-	19.39	8.37	1.29	9.67	9.73	9.55
14 Computer	33.33%	3.10	0.12	-	3.22	2.85	0.16	3.00	0.217	0.31
15 Miscellaneous Fixed Assets	20.00%	8.66	-	-	8.66	7.76	0.91	8.66	-	1.01
16 Office Equipment / F & F	10.00%	9.58	-	-	9.58	6.58	0.96	7.54	2.04	2.74
17 CAR	50.00%	7.43	-	-	7.43	6.19	0.41	6.61	0.83	1.16
18 Vehicle	20.00%	-	12.98	-	12.98	-	0.84	0.84	12.14	-
<b>SUB TOTAL (A)</b>		<b>2,858.73</b>	<b>94.64</b>	<b>-</b>	<b>2,953.37</b>	<b>716.17</b>	<b>106.37</b>	<b>822.54</b>	<b>2,130.83</b>	<b>1,827.61</b>
<b>II Intangible Assets</b>										
1 Intellectual Property Rights	20.00%	411.03	-	-	411.03	150.90	54.41	205.31	205.72	222.78
<b>SUB TOTAL (B)</b>		<b>411.03</b>	<b>-</b>	<b>-</b>	<b>411.03</b>	<b>150.90</b>	<b>54.41</b>	<b>205.31</b>	<b>205.72</b>	<b>222.78</b>
<b>TOTAL (A+B)</b>		<b>3,269.76</b>	<b>94.64</b>	<b>-</b>	<b>3,364.39</b>	<b>867.07</b>	<b>160.77</b>	<b>1027.85</b>	<b>2,336.55</b>	<b>2,050.39</b>
(Previous Year)		2,611.20	143.58	1.07	2,753.71	571.90	131.42	703.32	2,050.39	1,952.60

### NOTE: 12 LONG TERM LOANS AND ADVANCES

(Unsecured, Considered good)

(₹ in Lacs)

Sr. No	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	Security Deposit	44.44	20.66
	Other Loans & Advances		
	Mat Credit	5453.74	4253.37
	<b>Total</b>	<b>5498.18</b>	<b>4274.03</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENT For the period ended on 31st March, 2014

### NOTE: 13 INVENTORIES

(₹ in Lacs)

Sr. No	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	Raw Material	8621.75	7144.02
2	Work-in-Progress	2947.84	2573.15
3	Finished Goods	2570.53	2796.04
4	Consumables	8.05	8.20
5	Stores & Spares	6.93	10.37
6	Printing & Stationary	3.38	5.71
7	Goods-in-transit		
	a) Raw Material	53.69	225.15
	b) Packing Material	13.39	40.02
	<b>Total</b>	<b>14225.56</b>	<b>12802.66</b>

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

### NOTE: 14 TRADE RECEIVABLES

(Unsecured, Considered good)

1	Outstanding for more than six months	66.65	27.57
2	Others	6431.94	4683.75
	<b>Total</b>	<b>6498.58</b>	<b>4711.32</b>

14.1 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.

### NOTE: 15 CASH & CASH EQUIVALENT

<b>1 Cash-in-Hand</b>		
Cash Balance	6.53	5.72
Foreign Exchange in Hand	1.10	0.72
<b>Sub Total (A)</b>	<b>7.63</b>	<b>6.44</b>
<b>2 Bank Balance</b>		
In current Accounts	65.34	324.85
<b>Sub Total (B)</b>	<b>65.34</b>	<b>324.85</b>
<b>3 Fixed Deposits</b>		
Fixed Deposit being Margin Money	367.74	304.49
<b>Sub Total (C)</b>	<b>367.74</b>	<b>304.49</b>
<b>Total [A + B + C]</b>	<b>440.71</b>	<b>635.78</b>

15.1 Balance with Banks includes Unclaimed Dividend of ₹54.04 Lacs (Previous Year ₹51.45 Lacs)

15.2 Fixed deposits with banks include deposits of ₹18.19 Lacs (Previous year ₹65.52 Lacs) with the maturity of more than 12 months.

15.3 An amount of ₹367.74 Lacs (Previous Year ₹304.49 Lacs) is held with Banks as margin money for Bank Guarantees/ Letter of Credit

### NOTE: 16 SHORT TERMS LOANS AND ADVANCES

(Unsecured, Considered good)

1	Balance with Revenue Authorities under Indirect Taxes	87.43	77.69
2	Loan to Staff	63.06	73.44
3	Other Loans & Advances	5896.15	4256.89
	(Advance Recoverable in cash or in kind or for value to be considered good)		
	<b>Total</b>	<b>6046.65</b>	<b>4408.02</b>

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

## NOTES ON CONSOLIDATED FINANCIAL STATEMENT For the period ended on 31st March, 2014

### NOTE: 17 REVENUE FROM OPERATIONS

(₹ in Lacs)

Sr. No	Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
1	Sale of products	53504.51	46755.68
2	Income from research activities	213.22	154.68
3	Other Operating Revenue	202.48	69.46
4	Exchange Fluctuation (Net)	320.88	-
	<b>Total</b>	<b>54241.08</b>	<b>46979.83</b>
	Less : Excise duty	85.38	116.10
	<b>Total</b>	<b>54155.70</b>	<b>46863.73</b>

### NOTE: 18 OTHER INCOME

1	Bank Interest	24.57	15.78
2	Misc. Income (Recovery & Income)	9.23	16.87
3	Insurance Claim Received	2.11	4.62
4	Income from Sales of Scrap	11.28	5.78
5	Income from Sale of Assets	-	0.65
6	Rent Received	-	0.17
	<b>Total</b>	<b>47.20</b>	<b>43.86</b>

### NOTE: 19 COST OF MATERIAL CONSUMED

	Opening Stock		
	- Raw Material	7144.02	5216.42
	Add : Purchases	31605.88	29183.42
	<b>Total</b>	<b>38749.90</b>	<b>34399.84</b>
	Less : Closing Stock	8621.75	7144.02
	<b>Total</b>	<b>30128.15</b>	<b>27255.82</b>

### NOTE: 20 CHANGE IN INVENTORIES

1	Opening Stock		
	- Finished Goods	2811.31	2078.13
	-Work In Progress	2573.15	2261.06
	<b>Total (A)</b>	<b>5384.46</b>	<b>4339.19</b>
2	Closing Stock		
	- Finished Goods	2564.22	2796.04
	- Work in progress	2947.84	2573.15
	<b>Total (B)</b>	<b>5,512.06</b>	<b>5,369.20</b>
	<b>Change in Inventories (A-B)</b>	<b>(127.60)</b>	<b>(1,030.01)</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENT For the period ended on 31st March, 2014

### NOTE: 21 EMPLOYEE BENEFIT EXPENSES

(₹ in Lacs)

Sr. No	Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
1	Salaries & Wages	2730.19	2476.01
2	Contribution to Provident Fund and other funds	137.62	206.99
3	Staff Welfare Expenses	176.75	47.22
	<b>Total</b>	<b>3044.56</b>	<b>2730.21</b>

### 21.1 Reconciliation of fair value of assets and obligations

1	Gratuity		
	Fair Value Of Plan Assets	-	-
	Present value of obligation	230.08	192.21
	<b>Amount recognised in balance Sheet</b>	<b>230.08</b>	<b>192.21</b>
2	Leave Encashment		
	Fair Value Of Plan Assets	-	-
	Present value of obligation	149.09	126.06
	<b>Amount recognised in balance Sheet</b>	<b>149.09</b>	<b>126.06</b>

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

1	Gratuity		
	Current Service Cost	39.13	34.83
	Interest Cost	17.30	11.97
	Net Actuarial (gain)/loss recognised in the period	(6.49)	0.53
	<b>Expense recognised in the P&amp;L Statement</b>	<b>49.94</b>	<b>47.33</b>
2	Leave Encashment		
	Current Service Cost	52.18	47.44
	Interest Cost	11.35	8.02
	Net Actuarial (gain)/loss recognised in the period	(30.52)	(19.78)
	<b>Expense recognised in the P&amp;L Statement</b>	<b>33.01</b>	<b>35.68</b>

### NOTE: 22 FINANCIAL COST

1	Interest Expenses	2500.75	2162.90
2	Exchange Fluctuation	162.88	112.55
3	Other Borrowing Cost	276.78	187.50
	<b>Total</b>	<b>2940.40</b>	<b>2462.95</b>

### NOTE: 23 DEPRECIATION & AMORTISED COST

(₹ in Lacs)

1	Depreciation	1487.75	1244.98
2	Amortisation of Intangible Assets	2533.92	2062.63
	<b>Total</b>	<b>4021.67</b>	<b>3307.61</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENT For the period ended on 31st March, 2014

### NOTE: 24 OTHER EXPENSES

#### A. Manufacturing Expenses

(₹ in Lacs)		
Sr. No	Particulars	
	Year ended 31st March, 2014	Year ended 31st March, 2013
1	Power & Fuel	338.04
2	Consumables	172.63
3	Repair & Maintenance	
	- Building	29.38
	- Electrical	10.57
	- Plant & Machinery	75.74
	- Lab	10.60
4	Other Manufacturing Expenses	161.73
	<b>Total</b>	<b>798.69</b>

#### B. Administration Expenses

1	Rent	6.87	6.02
2	Rates, Fee & Taxes	22.64	11.03
3	Insurance	36.17	19.94
4	Legal and Professional Expenses	99.92	79.59
5	Postage, Telex & Telegram	3.85	3.13
6	Printing & Stationery	31.73	32.68
7	Telephone Expenses	36.32	26.56
8	Traveling & Conveyance:		
	- Staff	40.48	31.30
	- Directors	9.16	9.51
	- Others	4.79	0.36
9	Running, Repair & Maintenance :		
	- Vehicles	83.87	65.86
	- Computer	11.93	11.14
	- Others	13.08	10.85
10	Auditors' Fees	19.36	15.97
11	Directors Remuneration	177.79	156.10
12	Other Administrative Expenses	105.14	71.74
13	Other Corporate Expenses	165.43	152.26
	<b>Total</b>	<b>868.52</b>	<b>704.04</b>

#### C. Selling and Distribution Expenses

1	Discount / Commission	1063.43	976.02
2	Other Selling Expenses	964.40	643.98
3	Advertisement & Sales Promotion	1073.17	601.62
4	Sample Distribution	76.09	36.51
5	Incentive to Field Force	88.34	91.49
6	Traveling and conveyance Field Staff (Incl. Hotel)	689.49	544.15
	<b>Total</b>	<b>3954.93</b>	<b>2893.77</b>

#### D. Research and Development Expenses

1	Remuneration of R & D Staff	442.82	403.53
2	R & D Expenses	441.99	435.61
3	Material used for Development of new products	655.79	643.80
4	R & D Consumables	125.06	119.69
	<b>Total</b>	<b>1665.67</b>	<b>1602.64</b>
	<b>GRAND TOTAL</b>	<b>7287.80</b>	<b>5897.40</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENT For the period ended on 31st March, 2014

### NOTE: 25 AUDITOR'S REMUNERATION

(₹ in Lacs)

Sr. No	Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
1	Statutory Audit Fees	8.90	8.48
2	Tax Audit Fees	1.51	1.43
	Add: Service Tax	1.29	1.23
	<b>Total</b>	<b>11.70</b>	<b>11.14</b>

### NOTE: 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:

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

(ii) Transactions during the year with related parties:

(₹ in Lacs)

Sr. No	Related Party Relationship	Associates	Key managerial Personnel	Year ended 31st March, 2014	Year ended 31st March, 2013
1	Allotment of Share capital (Including Premium)	1909.80	-	1909.80	1697.60
2	Sales & Others	31.99	-	31.99	10.21
3	Purchases and reimbursement	870.88	-	870.88	860.89
4	Remuneration to directors	-	177.79	177.79	156.10
5	Advance for In licensing of Technology	1170.00	-	1170.00	1242.45

### NOTE: 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..

### NOTE: 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.

### NOTE: 29

The wholly Owned Subsidiary "Venus Pharma GmbH" was operated at Werne, Germany, 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).

### NOTE: 30

The company has allotted 9,00,000 Equity Shares to Sunev Pharma Solutions Limited on account of conversion of 9,00,000 warrants.



# CORPORATE INFORMATION

## NOTES ON CONSOLIDATED FINANCIAL STATEMENT For the period ended on 31st March, 2014

### NOTE: 31

The audited/unaudited financial statements of foreign subsidiaries/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.

### NOTE: 32 CONTINGENT LIABILITIES:

(Not provided for in the books of accounts) (In the books of Parent Company)

Particulars	(₹ in Lacs)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
a) Letter of Credit / Bank Guarantees – Inland	81.43	357.18
b) Bank Guarantees foreign	24.70	40.48
c) Letter of credit – Foreign	379.48	1381.89
d) Interest on FCCB's	84.07	100.89
e) Tax demand pending in appeal	140.11	38.72

There is no liability in the books of Subsidiary Company.

### NOTE: 33

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.

### NOTE: 34

The figures in the Balance Sheet and Profit & Loss Account for the year have been rounded off to nearest multiple of rupee in lacs.

### NOTE: 35

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.

### NOTE: 36

Intangible assets in Venus Remedies Limited (Holding Co.) has been written off over the period of 10 years, whereas the Intangible assets of Venus GmbH (wholly owned subsidiary) has been written off over a period of 5 years.

### NOTE: 37

Parent Company in light of lending institutions` terms for Corporate Debt Rephasing which have mandated not to declare dividend for the year 2013-14 . In compliance of such terms the recommendation of the dividend made on 13th August, 2014 stands withdrawn by the Board . Consequently the Board approved the revision of audited Financial Results for the year ended on 31st March, 2014 to the extent of removal of accounting for dividend & dividend tax for the year ended on 31st March, 2014 . There is no other revision of the audited balance sheet.

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 : 14th November, 2014

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)**

*DGM Accounts*

### 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

### Bankers

State Bank of India

IDBI Bank Ltd

Allahabad Bank

### Statutory Auditors

M/s J. K. Jain & Associates

### Internal Auditors

M/s Prem Garg & Associates

### Cost Auditors

M/s C. L. Bansal & Associates

### Advisors - Corporate Finance

M/s Emm Bee Financial Services Ltd

### 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

Executive Committee of Board of Directors

### Executive Committees

Value-Addition Committee

Techno Marketing 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.vmmcindia.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.

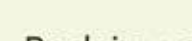
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**VENUS REMEDIES LIMITED**  
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