



# **VENUS REMEDIES LIMITED**

ANNUAL REPORT 2014-15

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## DIRECTOR'S REPORT

To the esteemed stakeholders of Venus Remedies Limited

### Financial Highlights

(₹ In Millions)

Particulars	2014-15	2013-14
Sales & Other Income	4518.75	5260.56
Operating Surplus	869.33	1332.29
Financial Charges	407.03	292.94
Depreciation	447.41	386.09
Profit before Tax	20.35	657.32
Profit After Tax (PAT)	45.48	609.50

### Operations

During the year under review, your Company achieved a turnover ₹ 4518.75 millions. There was decline in sale & profitability in 2014-15 due to stiff competition, adverse currency fluctuation. 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 center (Venus Medicine Research Centre), strong marketing networks and competent manpower.

### Company has achieved the following milestones in 2014-2015:

- Received marketing nod from Venezuela for Meropenem
- Bagged Market Authorization of Meropenem Injection from TGA, Australia
- Bagged additional patent for Vancoplus from US
- Received European patent for VMRC drug VRP008 to fight multi-drug resistant bacteria.
- Bagged its First Swiss MA for Gemcitabine
- Joined hands with TEVA Canada for an Upcoming Anti Cancer Drug
- Entered into Singapore topical pain management market with marketing approval, patent for Trois.
- Received Market Authorization for Meropenem from SWITZERLAND (SWISSMEDIC)
- Received Indian Patent for Vancoplus.

### Management discussion and analysis

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

### Pledge of Promoter's shareholding

The promoters have pledged 37,30,000 shares as collateral security to bank for credit facility sanctioned to the Company.

### Dividend

The Board has not recommended the dividend for the year 2014-15.

### Transfer to Reserves:

Company has not transferred any amount to Reserves & Surplus.

**Particulars of Loan, Guarantee or investment:**

Company has not made any loan, guarantee or investment covered under section 186 of the Companies Act, 2013.

**Particulars of Contract or Arrangements made with related parties:**

Particulars of Contracts or Arrangements made with related parties referred in section 188(1) of the Companies Act, 2013 forms part of the financial statement in annual report.

**Fixed Deposits:**

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

**Particulars of Employees:**

The table containing the names and other particulars of employees in accordance with the provisions of section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as Annexure 3 to the Board's report.

Further, in FY 2014-15, no employee received remuneration of ₹ 60 lacs or more.

**Corporate Governance:**

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

**No. of meetings of the Board:**

The Board met 4 times during the financial year, the details are given in the Corporate Governance Report forms part of the Annual Report.

**Policy on directors' appointment and remuneration:**

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

**Declaration by Independent Directors:**

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

**Board Evaluation:**

The evaluation of all the directors and board as a whole has made as per the clause 49 of the Listing Agreement and as per schedule IV of the Companies Act, 2013. Criteria and framework as adopted by the Board is explained in the Corporate Governance Report which forms part of the Annual Report.

**Re-appointment**

As per the provisions of the Companies Act, 2013. Dr. (Mrs.) Manu Chaudhary retires at the ensuing Annual General meeting and being eligible, seeks re-appointment. The Board recommends his re-appointment.

### **Committees of the Board:**

Currently there are 5 committees of the Board. A detailed note on the Board and committee meeting forms the part of the Corporate Governance report. As per the provisions of the Companies Act, 2013 composition of the committees are as below:

#### **Name of the Committee**

Audit Committee

#### **Composition**

Mr. Jagdish Chander, Chairman

Mr. Pawan Chaudhary

Dr. S.K. Chadha

#### **Duties and responsibilities**

- 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.

#### **Name of the Committee**

Nomination and remuneration committee

#### **Composition**

Mr. Jagdish Chander, Chairman

Dr. S.K. Chadha

Dr. (Mrs.) Manu Chaudhary

#### **Duties and Responsibilities**

- 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.

#### **Name of the Committee**

Stake Holder Relationship Committee

**Composition**

Mr. Jagdish Chander, Chairman

Mr. Peeyush Jain

**Duties and Responsibilities**

- To approve transfer, transmission, sub-division and issue of duplicate shares/debentures and for redressal of Investor complaints on all matters.
- The SHR consider and resolve the grievances of security holders of the company.

**Name of the Committee**

Corporate Social Responsibility Committee

**Composition**

Dr. S.K. Chadha, Chairman

Mr. Pawan Chaudhary

Mr. Peeyush Jain

**Duties and Responsibilities**

- 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.

**Name of the Committee**

Risk Management Committee

**Composition**

Mr. Pawan Chaudhary, Chairman

Mr. Peeyush Jain

Mr. Ashutosh Jain

**Duties and Responsibilities**

- Framing of Risk Management Plan and Policy.
- Overseeing implementation of Risk Management Plan and Policy.
- Monitoring of Risk Management Plan and Policy.
- Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes.
- Such other functions which are required to perform and implement the Risk Management Plan and Policy.

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

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

### **Directors' Responsibility Statement**

Your Directors pursuant to Section 134(3)(c) of the Companies Act, 2013 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.

### **Directors**

Dr.(Mrs.) Manu Chaudhary retire at the ensuing Annual General Meeting and have offered themselves for reappointment. The details of the appointment are mentioned in the Notice of the meeting.

### **Auditors**

At the Annual general Meeting held on December 30, 2014, M/S J.K. Jain & Associates, Chartered Accountants, were appointed as statutory auditors of the Company to hold office till the Annual General Meeting to be held in calendar year 2017. In term of the provisions of section 139 of the Companies act, 2013, the appointment of auditors shall be placed for ratification every year. Accordingly the appointment of M/S J.K. Jain & Associates, Chartered Accountants as statutory auditors of the Company is placed for ratification by the shareholders.

M/s C.L. Bansal & Associates, Cost Accountants was appointed as Cost Auditor for the financial year 2014-2015.

M/s P. Chadha & Associates, Company Secretaries appointed as the Secretarial Auditor of the Company for financial year 2014-15. The secretarial audit report for Fy 2014-15 forms part of Annual Report.

No qualification reservation or adverse remarks or disclaimer were made by the auditor in his report and by the company secretary in practice in his secretarial audit report.

### **Extract of Annual Report:**

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

### **Significant and material orders:**

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

**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.

Place: Panchkula

Date: 30.06.2015

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

Sd-

**Pawan Chaudhary**

Chairman & Managing Director



## MANAGEMENT DISCUSSION & ANALYSIS

### Economic Review

**Global Economy:** Developments in the world economy in 2014 have been something of mixed bag. Overall, the global economy did not have a stellar year. The growth, which remained around 3 per cent did not pick up on recent years, stayed well below the pace of expansion enjoyed over an extended period up to 2008. The major reason behind the modest growth of global economy in 2014 is the slump in the world's 2nd and 3rd largest economies i.e. China and Japan. The euro-zone crisis continued to unravel, bringing the continent closer to disinflation as growth stagnated. Largely due to weaker-than-expected global activity in the first half of 2014, the growth forecast for the world economy has been revised downward to 3.3 percent for this year, 0.4 percentage point lower than in the April 2014 World Economic Outlook (WEO). The global growth projection for 2015 was lowered to 3.8 percent.

International trade growth was unusually low for yet another year. For decades before the crisis, growth in trade outstripped GDP growth, usually by a big margin. But over the past three years that has changed, with trade expanding at or below output growth. This year it is expected to struggle to keep pace with GDP.

**Indian Economy:** The Indian economy in 2014-15 has emerged as one of the largest economies with a promising economic outlook on the back of controlled inflation, rise in domestic demand, increase in investments, decline in oil prices and reforms among others. On the demand side, growth of private final consumption increased to 7.6 per cent in 2014-15, from 6.5 per cent in 2013-14 as per advanced estimates. The fixed capital formation in the economy has picked up growth but lost share in aggregate demand. Gross fixed capital formation has increase 3.0 per cent in 2013-14 to 4.1 per cent in 2014-15.

### Global Pharmaceutical Sector

Global spending on medicines is forecast to reach nearly \$1.3 trillion by 2018, an increase of about 30 percent over the 2013 level, according to a report by IMS Institute for Healthcare Informatics. This level of growth-a compound annual growth rate of 4-7 percent on a constant currency basis-will be slightly higher than the 5.2 percent recorded over the past five years, as the introduction of new specialty medicines and increased accessibility for patients coincides with lower impacts from patent expiries in developed markets.

Drug spending in Europe will remain limited by a weak economic recovery, low population growth, and continued efforts to reduce public debt, including healthcare and drug spend. Southeast and East Asia will grow at twice the global average, driven by population growth, rising incomes and improved access to healthcare. North America is said to continue to contribute the largest proportion to growth, but Asia seems to be gaining.

### Indian Pharmaceutical Industry

The Indian pharmaceutical industry is estimated to grow at 20 per cent compound annual growth rate (CAGR) over the next five years, as per India Ratings, a Fitch Group company. Indian pharmaceutical manufacturing facilities registered with US Food and Drug Administration (FDA) as on March 2014 was the highest at 523 for any country outside the US.

We expect the domestic pharma market to grow at 10-12 per cent in FY15 as compared to 9 per cent in FY14, as per a recent report from Centrum Broking. The domestic pharma growth rate was 11.9 per cent in October 2014, highlighted the India Brand Equity Foundation report.

### Road Ahead

The Indian pharma market size is expected to grow to US\$ 85 billion by 2020. The growth in Indian domestic market will be on back of increasing consumer spending, rapid urbanisation, raising healthcare insurance and so on.

Going forward, better growth in domestic sales will depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers are on the rise.

**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**

1. Installation of variable frequency drives on Air Handling Units of manufacturing areas in Unit -2.
2. LED lights installed in manufacturing area in Unit -2.
3. Synchronization of Transformer to save energy on NO Load in Unit -2.
4. Old pumps in water system were replaced with Energy saving pumps in Unit -2.
5. Increase in DG chimney stack height and compliance done with Pollution Board in Unit -2.
6. Level controller installed in Underground 90KL tank wherein Borewell will switch ON automatically when water level in tank falls down.

**B) Impact of the above measures:** Reduction of energy consumption and consequent reduction of total cost.

**C) Total energy consumption and energy consumption per unit of production:**

FORM A

<b>A. Power and Fuel Consumption:</b>	<b>2014-15</b>	<b>2013-14</b>
<b>1. Electricity</b>		
a) Purchased		
Units	3306434	3431418
Total amount (₹)	23844407	24534878
Rate/Unit (₹)	7.21	7.15
b) Own Generation	--	--
(i) Through diesel generator set		
Units	229730	227222
<b>Total amount (₹)</b>	<b>4928693</b>	<b>3814707</b>
Rate/Unit (₹)	21.45	16.79
(ii) Through steam turbine/generator	NIL	NIL
<b>2. Coal consumption</b>	NIL	NIL
<b>3. Furnace oil &amp; LDO</b>	--	--
Quantity (Ltr.)	182536	195458
<b>Total amount (₹)</b>	<b>9530880</b>	<b>9864773</b>
Average Rate (₹ / Unit)	52.21	50.47
<b>4. Other/Internal Generation</b>	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 center duly approved by Department of Scientific and Industrial Research (DSIR) Government of India. VMRC has established itself as an Intellectual Property wealth generation resource for the company. It is driven by a team of more than 60 intellectuals. A well qualified and experienced team of scientists conduct research in discovering the most needed and efficacious medicines which are safe and cost effective and also generating medical knowledge for evidence based healthcare. VMRC excels in translational research and pharmaceuticals having an in-depth experience and expertise into Novel Drug Delivery Systems, Nanomedicine and targeted oncology therapeutics. Thrust areas of research include antibiotics, oncology, neurology, emergency care medicine, pain management and wound care.

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

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

Modern Research Infrastructure.

Dedicated Pilot Facilities for different forms of injections.

Eleven High Tech Research Laboratories of International standard following cGLP.

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

Current Team of more than 60 dynamic Scientists & support staff Well Equipped Library.

##### Key drivers are:

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

**The Major functional divisions at VMRC include:**

1. Formulation Development: NDDS (Novel Drug Delivery System) based product development, Nanotechnology, Targeted Delivery, Sustained Delivery, Pulsatile Drug Delivery and development of, Antibiotic adjuvant entity, Non infringing formulations products with Improved Bioavailability, Process Development and Technology Transfer.
2. Analytical Reserach : Analytical method development and validation, Biological method development and validation, Drug drug interaction.
3. Stability studies and Physiochemical research.
4. Elemental Analysis, method development and validation.
5. Pre- Clinical Studies (Toxicity studies, Pk/Pd Studies, Proof of Mechanism, Proof of Concept, Safety Pharmacology, including Qtc).
6. Histopathological Study
7. 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 characterization of resistant strains, Semiquantitative and quantitative gene expression, Protein profiling, cytotoxicity,
8. Microbiology Research: Method validation for BET and Sterility, Microbio Assay, Clinical microbiology, TKC, Carcinogenicity and Mutageneticity Studies.
9. Pharmacokinetic research using Hollow Fiber Infection Model.
10. Clinical pharmacology: Early phase clinical studies (Phase I, II), Late phase clinical studies (Phase III and IV), Bridging phase trials, PK PD, BA/BE.

**Patents**

The company has its well defined IP policy in place. Efforts of Venus Medicine Research Centre for innovations are well reflected in the number of patents filed so far, which stands around 340.

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

### 3. Future plan of action:

Energizing R&D activities to realize the Mission 2020 to be recognized globally and expand focus from product development and IP wealth creation to wealth propagation and to deliver timely healthcare solutions for unmet medical needs focused on improving patient outcomes. This imperative will require focused flexible approach to reach out to customer, radically evolve the value proposition for future.

differentiated products and to integrate all resources in pursuit of developing, delivering, understanding and maintaining the best possible therapies and services to the global market. Aligning our priorities across these functions ensures that we develop potential therapeutics in a manner that not only addresses unmet medical needs but also meets the changing demands of the market place.

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

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

Particulars	2014-15		2013-14	
	₹ in million	% to turnover	₹ in million	% to turnover
Capital Expenditure (R&D-IPR)	362.58	8.02	472.00	8.97
Recurring Expenditure (R&D)	120.83	2.67	166.57	3.17

### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

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

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

In-licensed technology for Solid Tumor 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 Panjab University for development of novel fast and highly sensitive typhoid detection test.

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

Commercial Launch of new products including novel drugs for antimicrobial resistance, oncology therapeutics, pain control etc. have differentiated Venus from the league of generic drug makers. Strengthening of Company's Product Basket 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 generator among Indian Pharma sector.

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

3) Import of Technology

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

## FORM C

### 3. Foreign Exchange Earnings and Outgo

(₹ In lacs)

Particulars	Currency	Current Year	Previous Year
<b>A. Total Foreign Earned</b>			
Sales	USD	52.84	67.05
	EURO	96.16	115.04
R&D Activities	USD	1.06	1.94
	EURO	1.39	0.34

Particulars	Currency	Current Year	Previous Year
<b>B. Total Foreign exchange used</b>			
I) Raw & Packing Material	USD	127.53	148.36
	EURO	1.53	1.57
Capital Goods	USD	0.06	NIL
ii) Expenditure in foreign currency for :			
Salary	USD	1.50	1.41
Traveling	USD	0.03	0.05
	EURO	-	0.04
Regulatory Fee for Patent/Products & Plant Registration/ Export	USD	11.60	22.04
	AUD	0.05	-
	EURO	0.66	11.11
	JPN	5.64	6.37
Remittance on account of dividend	USD	-	0.01
Subscription/ Publication	USD	0.002	0.03
	GBP	-	0.0005
	AUD	-	0.004
Commission/ Incentive	USD	0.74	0.66
	EURO	0.03	0.02

## Nomination & Remuneration Policy

### Introduction:

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

### Objective

Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

Formulation of criteria for evaluation of Independent Directors and the Board;

Devising a policy on Board diversity;

Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report;

Recommend to the Board their appointment and removal;

The Committee deals with all elements of the remuneration package of all Whole-time Directors and also administers the stock option plan of the Company;

Evaluate the Board performance.

### Definitions:

“Board” means Board of Directors of the Company

“Directors” mean Directors of the Company.

### “Key Managerial Personnel” means:

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



**“Nomination and Remuneration Committee”**

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

**“Policy or This Policy” means, “Nomination and Remuneration Policy.”**

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

**“Senior Managerial Personnel” means:**

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

## **POLICY FOR APPOINTMENT & REMOVAL OF DIRECTORS/KMP/ SENIOR MANAGEMENT PERSONNEL**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment;
2. The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term;
3. An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company;
4. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly;
5. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act;
6. The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly);
7. The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company;
8. The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## **POLICY FOR REMUNERATION TO DIRECTORS/KMP/ SENIOR MANAGEMENT PERSONNEL**

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

## **IMPLEMENTATION, REVIEW & AMENDMENT**

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

Place: Panchkula  
Date: 30.06.2015

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

Sd-  
**Pawan Chaudhary**  
Chairman & Managing Director

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2015

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

**I. REGISTRATION & OTHER DETAILS:**

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

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated).

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Pharmaceutical product manufacturing	352	100

**III. II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated).

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Pharmaceutical product manufacturing	352	100

## VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	2104902	0	2104902	18.40	1430000	0	1430000	12.50	(5.90)
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	2900000	0	2900000	25.34	2300000	0	2300000	20.10	(5.24)
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Fi) Directors & promoters relative	28200	0	28200	0.25	28250	0	28250	0.25	0
<b>Total shareholding of Promoter (A)</b>	<b>5033102</b>	<b>0</b>	<b>5033102</b>	<b>43.99</b>	<b>3758250</b>	<b>0</b>	<b>3758250</b>	<b>32.85</b>	<b>(11.14)</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	1200	1200	0.01	0	1200	1200	0.01	0
b) Banks / FI	5998	0	5998	0.05	18788	0	18788	0.16	0.11
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	994136	994136	8.69	66401	0	66401	0.58	(8.11)
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>5998</b>	<b>995336</b>	<b>1001334</b>	<b>8.75</b>	<b>85189</b>	<b>1200</b>	<b>86389</b>	<b>0.75</b>	<b>(8.00)</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	1760984	7400	1768384	15.46	1530196	7400	1537596	13.44	(2.02)
ii) Overseas	0	0	0		0	0	0		0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2116221	217965	2334186	20.40	4070853	211165	4282018	37.42	17.02
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	797114	0	797114	6.97	903540	0	903540	7.90	0.93
c) Others (specify)									
Non Resident Indians	164669	66000	230669	2.02	399430	59600	459030	4.01	1.99
Overseas Corporate Bodies	0	0	0		0	0	0		0

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Foreign Nationals	200	0	200	0.00	200	0	200	0.00	0
Clearing Members	110647	0	110647	0.97	125632	0	125632	1.10	0.13
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
HUF	134645	100	134745	1.17	265537	100	265637	2.32	1.15
ESOP	10426	21181	31607	0.27	6696	17000	23696	0.21	(0.06)
Sub-total (B)(2):-	5094906	312646	5407552	47.26	7302084	295265	7597349	66.40	19.14
Total Public Shareholding (B) = (B)(1) + (B)(2)	5100904	1307982	6408886	56.01	7387273	296465	7683738	67.15	11.14
C. Shares held by Custodian for	0	0	0	0	0	0	0	0	0
Grand Total (A + B + C) GDRs & ADRs	10134006	1307982	11441988	100	11145523	2964655	11441988	100	0

## B) Shareholding of Promoter & Promoter Group

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Mr. Pawan Chaudhary	1133902	9.91	99.66	680000	5.94	100	3.97
2	Mrs. Manu Chaudhary	971000	8.49	97.84	750000	6.55	100	1.94
3	Sunev Pharma Solutions Ltd.	2900000	25.35	0	2300000	20.10	100	3.25
4	Others:							
	Promoters relative & Directors							
4.1	Mr. Peeyush Jain	13200	0.12	0	13200	0.12	0	0
4.2	Mr. Ashutosh Jain	15000	0.13	0	15050	0.13	0	0

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

S.No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Pawan Chaudhary				
	Opening Balance			1133902	9.91
	As on 30.06.14 Sold	(142750)	1.25	991152	8.66
	As on 15.08.14Sold	(36000)	0.31	955152	8.35
	As on 22.08.14Sold	(24946)	0.22	930206	8.13
	As on 29.08.14Sold	(54868)	0.48	875338	7.65
	As on 05.09.14Sold	(19500)	0.17	855838	7.48
	As on 12.09.14Sold	(5838)	0.05	850000	7.43
	As on 14.11.14Sold	(170000)	1.49	680000	5.94
	Closing Balance			680000	5.94
2	Manu Chaudhary				
	Opening Balance			971000	8.49
	As on 05.09.14Sold	(200000)	1.75	771000	6.74
	As on 10.10.14Sold	(14000)	0.12	757000	6.62
	As on 24.10.14Sold	(7000)	0.06	750000	6.55
	Closing Balance			750000	6.55
3	Sunev Pharma Solutions Ltd.				
	Opening Balance			2900000	25.35
	As on 02.05.14Sold	(161096)	1.41	2738904	23.94
	As on 09.05.14Sold	(100135)	0.87	2638769	23.06
	As on 16.05.14Sold	(239119)	2.09	2399650	20.98
	As on 30.05.14Sold	(17065)	0.15	2382585	20.82
	As on 06.06.14Sold	(18000)	0.16	2364585	20.66
	As on 13.06.14Sold	(15700)	0.14	2348885	20.53
	As on 20.06.14Sold	(11600)	0.10	2337585	20.43
	As on 27.06.14Sold	(12000)	0.10	2325285	20.32
	As on 11.07.14Sold	(19500)	0.17	2305780	20.15
	As on 08.08.14Sold	(5785)	0.05	2300000	20.10
	Closing Balance			2300000	20.10

**D) Shareholding Pattern of top ten Shareholders:**  
(Other than Directors, Promoters and Holders of GDRs and ADRs):

S.No. For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1 REL UTILITY ENGINEERS LIMITED				
Opening Balance			1195995	10.45
As on 25.04.14 Sold	(73635)	0.64	1122360	9.81
As on 09.05.14 Sold	(128062)	1.12	994298	8.69
As on 23.05.14 Sold	(74298)	0.65	920000	8.04
As on 30.05.14 Sold	(55000)	0.48	865000	7.56
As on 06.06.14 Sold	(153000)	1.34	712000	6.22
As on 13.06.14 Sold	(120000)	1.05	592000	5.17
As on 11.07.14 Sold	(77909)	0.68	514091	4.49
As on 05.12.14 Sold	(75831)	0.66	438260	3.83
Closing Balance			438260	3.83
2 Dolly Khanna				
Opening Balance			NIL	NIL
As on 19.04.214 Acquired	4096	0.04	4096	0.04
As on 14.11.14 Acquired	1720	0.02	5816	0.05
As on 05.12.14 Acquired	4739	0.04	10555	0.09
As on 12.12.14 Acquired	2842	0.02	13397	0.12
As on 19.12.14 Acquired	1401	0.01	14798	0.13
As on 09.01.15 Acquired	3144	0.03	17942	0.16
As on 06.02.15 Acquired	7220	0.06	25162	0.22
As on 13.02.15 Acquired	25003	0.22	50165	0.44
As on 20.02.15 Acquired	18000	0.16	68165	0.6
As on 27.02.15 Acquired	4500	0.04	72665	0.64
As on 06.03.15 Acquired	7000	0.06	79665	0.7
As on 13.03.15 Acquired	12000	0.1	91665	0.8
As on 20.03.15 Acquired	1000	0	92665	0.81
As on 27.03.15 Acquired	25200	0.22	117865	1.03
Closing balance			117865	1.03
3 Girdhar lal Sharda				
Opening Balance			32010	0.28
As on 23.05.14 Sold	(500)	0	31510	0.28
As on 22.08.14 Sold	(2250)	0.02	29260	0.26
As on 29.08.14Sold	(250)	0	29010	0.25
As on 05.09.14Sold	(250)	0	28760	0.25



S.No. For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
As on 19.09.14 Acquired	1000	0.01	29760	0.26
As on 07.11.14 Acquired	240	0	30000	0.26
As on 21.11.14 Acquired	250	0	30250	0.26
As on 05.12.14 Acquired	2500	0.02	32750	0.29
As on 12.12.14 Acquired	250	0	33000	0.29
As on 19.12.14 Acquired	2000	0.02	35000	0.31
As on 31.12.14 Acquired	2000	0.02	37000	0.32
As on 09.01.15 Acquired	2000	0.02	39000	0.34
As on 30.01.15 Sold	(1000)	0.01	38000	0.33
As on 06.02.15 Acquired	4000	0.03	42000	0.37
As on 13.02.15 Acquired	33100	0.29	75100	0.66
As on 27.02.15 Acquired	7250	0.06	82350	0.72
As on 13.03.15 Acquired	12500	0.11	94850	0.83
As on 20.03.15 Acquired	16500	0.14	98850	0.86
As on 27.03.15 Acquired	7500	0.07	106350	0.93
Closing Balance			106350	0.93
4 Girish Kumar Sharda				
Opening Balance			13867	0.12
As on 25.05.14 Acquired	1133	0.01	15000	0.13
As on 22.08.14 Acquired	2000	0.02	17000	0.15
As on 12.09.14 Acquired	2000	0.02	19000	0.17
As on 19.09.14 Acquired	1500	0.01	20500	0.18
As on 21.11.14 Acquired	500	0	21000	0.18
As on 28.11.14 Acquired	1250	0.01	22250	0.19
As on 05.12.14 Acquired	1000	0.01	23250	0.2
As on 12.12.14 Acquired	1750	0.02	25000	0.22
As on 19.12.14 Acquired	1000	0.01	26000	0.23
As on 02.01.15 Acquired	500	0	26500	0.23
As on 09.01.15 Acquired	2000	0.02	28500	0.25
As on 16.01.15 Acquired	1000	0.01	29500	0.26
As on 06.02.15 Acquired	8000	0.07	37500	0.33
As on 13.02.15 Acquired	25250	0.22	62750	0.55
As on 20.02.15 Acquired	2500	0.02	65250	0.57
As on 27.02.15 Acquired	765	0.01	66015	0.58
As on 13.03.15 Acquired	2500	0.22	68515	0.6
As on 20.03.15 Acquired	3500	0.03	72015	0.63
As on 27.03.15 Acquired	7000	0.06	79015	0.69
Closing Balance			79015	0.69

S.No. For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5 Vivek Bharti				
Opening Balance			47000	0.41
As on 16.01.15	18000	0.16	65000	0.57
Closing Balance			65000	0.57
6 Fiducian India Fund				
Opening Balance	NIL	NIL	NIL	NIL
As on 11.07.14 Acquired	15406	0.13	15406	0.13
As on 12.08.14 Acquired	7097	0.06	20503	0.18
As on 30.09.14 Acquired	8102	0.07	28605	0.25
As on 14.11.14 Acquired	10025	0.09	38630	0.33
As on 21.11.14 Acquired	5660	0.05	44290	0.39
As on 06.03.15 Acquired	17111	0.15	61401	0.54
Closing Balance			61401	0.54
7 Tarish Investment & Trading Co. Pvt. Ltd.				
Opening Balance			NIL	NIL
As on 30.09.14 Acquired	22000	0.19	22000	0.19
As on 12.12.14 Acquired	22000	0.19	44000	0.38
Closing Balance			44000	0.38
8 Girdharilal Girish Sharda HUF				
Opening Balance			7000	0.06
As on 28.11.14 Acquired	500	0	7500	0.06
As on 19.12.14 Acquired	2000	0.02	9500	0.08
As on 31.12.14 Acquired	1000	0.01	10500	0.09
As on 02.01.15 Acquired	1000	0.01	11500	0.1
As on 09.01.15 Acquired	2000	0.02	13500	0.12
As on 16.01.15 Acquired	1000	0.01	14500	0.13
As on 06.02.15 Acquired	8500	0.07	23000	0.2
As on 27.02.15 Acquired	6500	0.06	29500	0.25
As on 13.03.15 Acquired	7500	0.07	37000	0.32
As on 27.03.15 Acquired	6500	0.06	43500	0.38
Closing Balance			43500	0.38
9 K. Mohan				
Opening Balance			40236	0.35
Closing Balance			40236	0.35
10 Ashish Choudhary				
Opening Balance			40200	0.35
Closing Balance			40200	0.35

#### E) Shareholding of Key Managerial Personnel:

S.No.	Shareholding of each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

#### V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2626.35	252.22	-	2878.57
ii) Interest due but not paid	26.42	-	-	26.42
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2652.77</b>	<b>252.22</b>	<b>-</b>	<b>2904.99</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	951.23	-	-	951.23
* Reduction	927.94	-	-	927.94
<b>Net Change</b>	<b>23.29</b>	<b>-</b>	<b>-</b>	<b>23.29</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2676.06	252.22	-	2928.28
ii) Interest due but not paid	26.14	84.67*	-	110.81
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2702.20</b>	<b>336.89</b>	<b>-</b>	<b>3039.09</b>

\* includes revaluation of the liability as on 31.03.2015

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

S.No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount (Rs. In cr.)
		Pawan Chaudhary	Manu Chaudhary	Peeyush Jain	Ashutosh Jain	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.63	0.59	0.36	0.32	1.90
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.01	-	0.004	-	0.014
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission- as % of profit-others, specify	-	-	-	-	-
5	Others, please specify					
	Total (A)	0.64	0.59	0.364	0.32	1.914
	Ceiling as per the Act					2.20

### B. Remuneration to other directors

(₹ in Cr.)

S.No.	Particulars of Remuneration	Name of Directors				Total Amount
1.	Independent Directors	Jagdish	S.K.	Rupinder	Gilbert	Hari Pal
		Chander	Chadha	Tewari	Wezel	Verma
	Fee for attending board committee meetings	0.003	0.003	0.0005	NIL	0.0005
	Commission	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (1)	0.003	0.003	0.0005	NIL	0.0005
2	Other Non-Executive Directors	NIL	NIL	NIL	NIL	NIL
	Fee for attending board committee meetings	NIL	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL	NIL
	Total (B) = (1 + 2)	0.003	0.003	0.0005	NIL	0.0005
	Total Managerial Remuneration	NIL	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act					

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(₹ in lacs)

S.No.	Particulars of Remuneration	Key Managerial Personnel	
		Company Secretary	Chief Financial Officer
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4.85	8.72
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0.20
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2	Stock Option	-	
3	Sweat Equity	-	
4	Commission	-	
	-as % of profit	-	
	others, specify...	-	
5	Others, please specify	-	
	<b>Total</b>	<b>4.85</b>	<b>8.92</b>

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31st March, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule  
No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the company. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and produced before us and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Venus Remedies Limited and produced before us for the financial year ended on 31st March, 2015 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, However Chief Financial Officer of the Company has resigned in August 2014 & Company did not file requisite E-forms on portal of Ministry of Corporate Affairs, New Delhi.

(ii) The Company has complied with the relevant provisions of Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under where ever applicable to the company.

(iii) The Company has complied with the relevant provisions of the Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder where ever applicable to the company.

(iv) There were no issues which required specific compliance of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under.

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) There were no issues which required specific approval of the provisions of The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

- (b) There were no issues which required specific approval of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
- (c) There were no issues which required the specific compliance/approval of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- (d) There were no issues which required the specific compliance/approval of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.
- (e) There were no issues which required the specific compliance/approval of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
- (f) There were no issues which required the specific compliance/approval of the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- (g) There were no issues which required the specific compliance/approval of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) There were no issues which required the specific compliance/approval of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) We have also examined compliance with the applicable clauses of the following:
  - (i) Secretarial Standard issued by the Institute of Company Secretaries of India (Not Notified).
  - (ii) The Company has complied with the relevant provisions of Listing Agreements entered into by the Company with Stock Exchange(s).
- (vii) The Company carried on the business of Pharmaceuticals during the period under review. As per Management Representation, the Company has complied with the provisions of following Acts and Rules made there under:

The company has complied with the following acts specifically applicable to the pharmaceutical Industry.

- (i) Drugs and Cosmetics Act, 1940
- (ii) Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954
- (iii) Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974
- (iv) Food Safety And Standards Act, 2006
- (v) The Indian Copyright Act, 1957
- (vi) The Patents Act, 1970
- (vii) The Trade Marks Act, 1999
- (viii) The Pharmacy Act 1948
- (ix) Drug Control Act 1950

### **Labour Laws**

1. The Company has complied with the provisions of labour laws including Factory Act, Provident Fund, ESI and Minimum Wages Act. All the premises and establishment have been registered with the appropriate authorities.
2. The company has not employed any child labour/Bonded labour in any of its establishments.
3. The company is ensuring the compliance of PF/ESI and other social security measures to the contract employees. One of the responsible officers of the company carries out the survey regarding the compliance of this.

### **Environmental Protection Laws**

- (I) The Company has complied with the provisions of Environment Protection Act, 1986 amended up to date and Rules made there under.
- (ii) The Company has complied with the provisions of Water (Prevention and control of Pollution) Act, 1974 amended up to date and Rules made there under.
- (iii) The Company has complied with the provisions of Air (Prevention and control of Pollution) Act, 1981 amended up to date and Rules made there under.
- (iv) The Company has complied with Water Waste Discharge Standards.
- (v) The company is not discharging the contaminated water at the public drains/rivers.
- (vi) The company has not disposed any hazardous waste.
- (vii) The company is not classified as hazardous industry as per applicable environmental laws.

### **We further report that**

The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act, However Chief Financial Officer of the Company has resigned in August 2014 & Company did not file requisite E-forms on portal of Ministry of Corporate Affairs, New Delhi.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and proper system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members views are captured and recorded as part of the minutes.

Place : Chandigarh  
Date : 30.06.2015

For M/s P. Chadha & Associates  
Company Secretaries  
Sd/-  
M.No. : 32856  
CP No.: 12409



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

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

- (i) Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- (ii) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- (iii) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- (iv) Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
- (v) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- (vi) The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Chandigarh  
Date : 30.06.2015

For M/s P. Chadha & Associates  
Company Secretaries  
Sd/-  
M.No. : 32856  
CP No.: 12409

## 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, 2015, the Board consisted of 8 members. The Composition, category of directors and directorships held in other companies by the Directors on the Board of the Company was as under:

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

\*Appointed as independent non-executive director w.e.f. 30.12.2014

\*\* Mr Hari Pal resigned from Board w.e.f. 12.08.2014.

\*\*\*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.	30.05.2014	8	7
2.	13.08.2014	8	5
3.	14.11.2014	8	6
4.	13.02.2015	8	7

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

Director	No. of Board Meetings held	No. of Board Meetings attended	Attendance at last AGM
Mr. Pawan Chaudhary	4	4	Yes
Mrs. Manu Chaudhary	4	4	No
Mr. Peeyush Jain	4	4	Yes
Mr. Ashutosh Jain	4	3	Yes
Mr. Jagdish Chander	4	4	Yes
Dr. S. K. Chadha	4	4	No
Dr. Gilbert Wenzel	4	-	No
Dr. Rupinder Tewari	4	1	No
Mr. Hari Pal Verma	4	1	No
Mr. Soumitra Sengupta	4	-	No

**D. Nomination & Remuneration Committee**

**Composition:**

The Nomination & Remuneration Committee comprises of Mr. Jagdish Chander, Dr. S.K. Chadha and Dr. (Mrs.) Manu Chaudhary. Mr. Jagdish Chander is the Chairman of the committee.

Details of Comination & Remuneration Committee Meetings held during the year:

S.No.	Date	Committee Strength	No. of members present
1.	13.08.2014	3	2
2.	14.11.2014	3	3

#### Attendance at Comination & Remuneration Committee Meetings:

Director	No. of Meetings held	No. of Meetings attended
Mr. Jagdish Chander	2	2
Dr. S. K. Chadha	2	2
Mrs. Manu Chaudhary	2	1

#### Role of Nomination and Remuneration committee is as follows:

- 1 Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- 2 Formulation of criteria for evaluation of Independent Directors and the Board;
- 3 Devising a policy on Board diversity;
- 4 Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the
- 5 Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report;
- 6 Recommend to the Board their appointment and removal;
- 7 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;
- 8 Evaluate the Board performance.

Directors	No. of meetings held	No. of meetings attended
Mr. Jagdish Chander	1	1
Dr. S. K. Chadha	1	1
Dr.(Mrs.) Manu Chaudhary	1	1

## E. Remuneration of Directors

Name of Director	Salary	Sitting Fee	Perquisites	Superannuation	PF	Commission	Total
Mr. Pawan Chaudhary	6272640	NIL	118747	NIL	NIL	NIL	6391387
Mrs. Manu Chaudhary	5907168	NIL	NIL	NIL	NIL	NIL	5907168
Mr. Peeyush Jain	3555450	NIL	40244	NIL	NIL	NIL	3595694
Mr. Ashutosh Jain	3236691	NIL	NIL	NIL	NIL	NIL	3236691
Mr. Jagdish Chander	Nil	30000	Nil	Nil	Nil	Nil	30000
Mr. Hari Pal Verma	Nil	5000	Nil	Nil	Nil	Nil	5000
Dr. S. K. Chadha	Nil	30000	Nil	Nil	Nil	Nil	30000
Dr. Gilbert Wenzel	Nil	Nil	Nil	Nil	Nil	Nil	NIL
Mr.Soumitra Sengupta	Nil	NIL	Nil	Nil	Nil	Nil	NIL
Dr. Rupinder Tewari	Nil	5000	Nil	Nil	Nil	Nil	5000

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.

## 2. 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 and internal auditor, fixation of audit fee and approval for payment of any services.
- Reviewing with the management annual financial statement before submission to the Board.
- Reviewing 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, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval.
- Examining reasons for substantial default in the payment to depositors, debenture holders, shareholders and creditors, if any.

### 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:

S. No.	Date	Committee Strength	No. of members present
1.	30.05.2014	3	3
2.	13.08.2014	3	3
3.	14.11.2014	3	3
4.	13.02.2015	3	3

### Attendance at Audit Committee Meetings:

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

### 3. 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.

### 4. Stakeholders Relationship Committee:

#### Terms of Reference:

- To approve transfer, transmission, sub-division and issue of duplicate shares/debentures and for redressal of Investor complaints 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, 2015. A total of three complaints were received for the period 01-04-2014 to 31-3-2015. All complaints were redressed under the supervision of the Committee.

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

### 5. CSR Committee:

#### Composition:

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.

Details of CSR Committee Meetings held during the year:

S.No.	Date	Committee Strength	No. of members present
1.	30.05.2014	3	3
2.	13.02.2015	3	3

Attendance at Audit Committee Meetings:

Director	No. of Meetings held	No. of Meetings attended
Mr. Jagdish Chander	2	2
Dr. S. K. Chadha	2	2
Mr. Pawan Chaudhary	2	2

#### 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.

#### 6. Risk Management Committee.

##### Composition:

The Risk Management Committee comprises of Mr. Pawan Chaudhary. Mr. Peeyush Jain, Mr. Ashutosh Jain and Mr. Peeyush Jain is the Chairman of the committee.

Details of CSR Committee Meetings held during the year:

S.No.	Date	Committee Strength	No. of members present
1.	30.02.2015	3	3

Attendance at Risk Management Committee Meetings:

Director	No. of Meetings held	No. of Meetings attended
Mr. Peeyush Jain	1	1
Mr. Pawan Chaudhary	1	1
MR. Ashutosh Jain	1	1

#### Function of the committee:

- Framing of Risk Management Plan and Policy
- Overseeing implementation of Risk Management Plan and Policy
- Monitoring of Risk Management Plan and Policy
- Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes
- Such other functions which are required to perform and implement the Risk Management Plan and Policy

### 7. General Meeting

Details of General Meetings held in last three years:

Financial Year	Meeting	Date	Time	Location
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
2013-2014	AGM	30.12.2014	10.00 AM	Bal Bhawan, Sector- 23, Chandigarh

- Special resolutions put through postal ballot last year-NIL
- Special Resolutions proposed to be conducted through postal ballot this year-Eight
- Postal ballot procedure e-voting procedure as mentioned in AGM Notice

### 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](http://www.venusremedies.com)
  - [www.vmcindia.com](http://www.vmcindia.com), [www.Venuspharmagmbh.de](http://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 company are 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 Board Members - Adopted
7. Whistle Blower Policy - Adopted

## 11. General Shareholders Information :

### A. AGM details :

Date	:	August 25, 2015
Venue	:	Bal Bhawan, Sector - 23, Chandigarh
Time	:	10 A.M.
Book Closure Dates	:	From 19th August, 2015 to 25th August, 2015 (both days inclusive)

### B. Financial Calendar:

Financial year of company	:	1st April 2014 to 31st March 2015
First Quarter results	:	On or before August 15, 2015
Second Quarter results	:	On or before November 15, 2015

Third Quarter results : On or before February 15, 2016

Fourth Quarter results : On or before May 15, 2016

**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 : 51-52, Ind. Area, Ph.-I, Panchkula (Haryana)  
E.mail: [complianceofficer@venusremedies.com](mailto:complianceofficer@venusremedies.com), [Info@venusremedies.com](mailto:Info@venusremedies.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](mailto:investorgrievance@venusremedies.com), [complianceofficer@venusremedies.com](mailto: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](mailto:delhi@linkintime.com)  
Phone; 011-4141 0592/93/94, Fax; 011-41410591

I. Dividend : The company has not declared dividend for the year 2014-15.

J. Status of De materialization of shares as on 31st March, 2015

Mode	No. of Shares	Percentage
DEMAT	11145523	97.41%
PHYSICAL	296465	2.59%

**K. Listing on Stock Exchanges:**

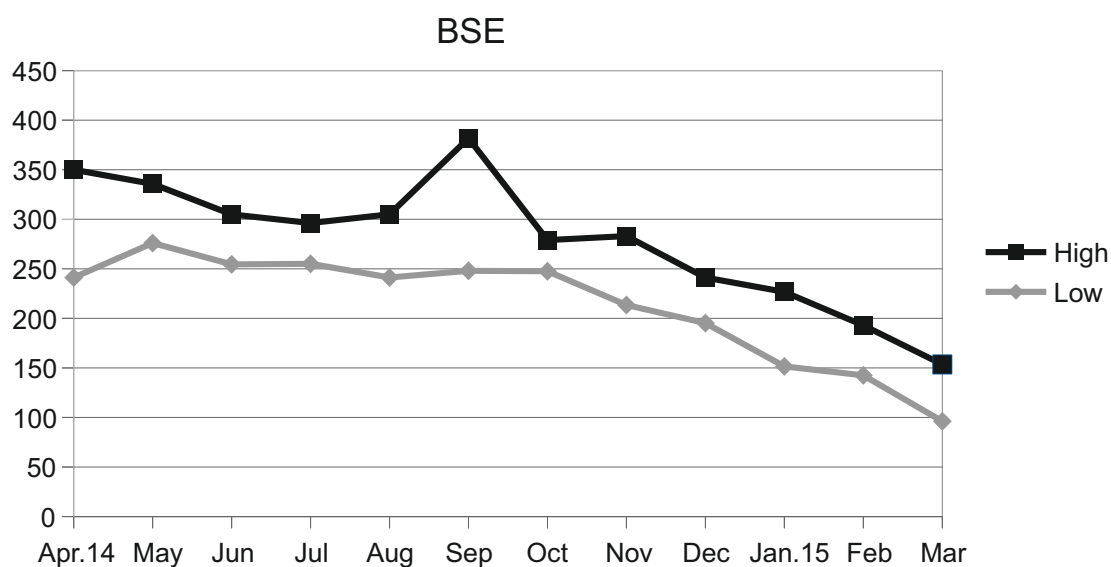
The Company's securities are listed on the following Stock Exchanges,

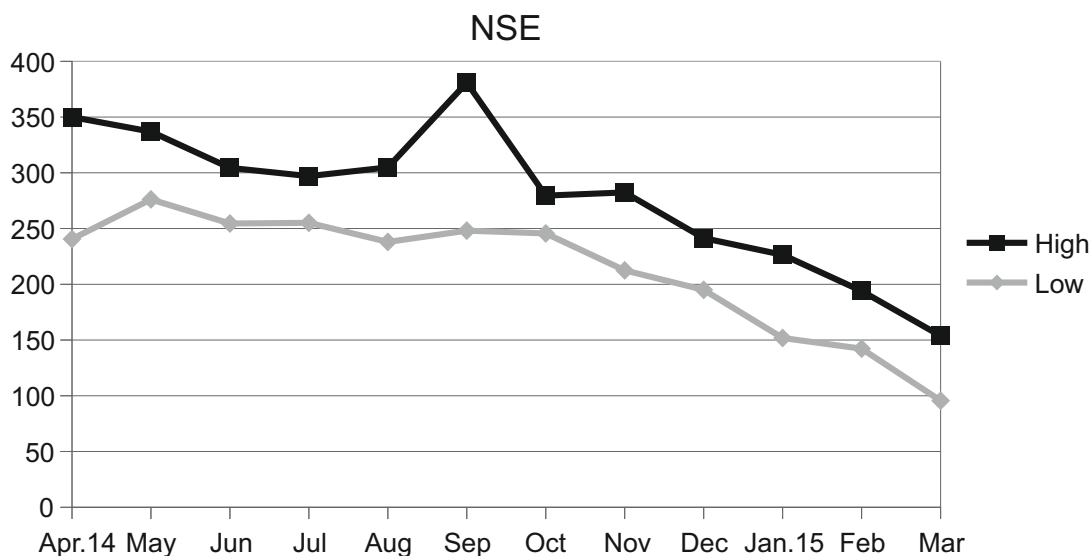
Place	Address
Mumbai	The Stock Exchange, Mumbai Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 023 Scrip Code : 526953
Mumbai	The National Stock Exchange of India Limited 5th Floor, Exchange Plaza, Bandar (E, Mumbai Scrip Code: VENUSREM

Mumbai Dalal Street, Mumbai 400 023 Scrip Code : 526953  
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, 2015:

Share or Debenture holding of nominal value	Share / Debenture Holders		Share / Debenture Amount	
₹	Number	% to total	Amount in ₹	% to total
(1)	(2)	(3)	(4)	(5)
Upto 2,500	15878	78.909	13475650	11.777
2,501 - 5,000	2164	10.754	8330970	7.281
5,001 - 10,000	1086	5.397	8567720	7.488
10,001 - 20,000	491	2.44	7384220	6.454
20,001 - 30,000	179	0.89	4510930	3.942
30,001 - 40,000	72	0.358	2590200	2.264
40,001 - 50,000	59	0.293	2790320	2.439
50,001 - 1,00,000	107	0.532	7592130	6.635
1,00,001 & Above	86	0.427	59177740	51.72
<b>Total</b>	<b>20122</b>	<b>100</b>	<b>114419880</b>	<b>100</b>





## 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](mailto:info@nsdl.co.in), Website: [www.nsdl.co.in](http://www.nsdl.co.in)

**Central Depository Services (India) Limited**

17th Floor, Phiroze Jeejeebhoy Towers

Dalal Street, Mumbai 400 001

Website: [www.centraldepository.com](http://www.centraldepository.com)

## 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 72 of the Companies Act, 2013 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/Warrants or any convertible instruments.

**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.

**16. Compliance with Code of Conduct**

Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Conduct as on 31.03.2015.

**17. Communication to Shareholders**

All the quarterly reports, financial results, press releases are posted on our website [www.venusremedies.com](http://www.venusremedies.com), Financial results are generally published in Business standard, Economic times and Financial Express.

**18. Details of Non Compliance:**

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

## 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, 2015, 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.

Sd-

**(Pawan Chaudhary)**

CEO, Chairman & Managing Director

Place: Panchkula

Date: 30.06.2015

## 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, 2015, 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 Stakeholders Relationship 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

Panchkula

Date : 30.06.2015

**(J. K. Jain)**

Partner

Membership No. 083140

## **Independent Auditor's Report**

To

The Members of

**VENUS REMEDIES LIMITED**  
**PANCHKULA**

### **Report on the Financial Statements**

1. We have audited the accompanying standalone financial statements of M/s Venus Remedies Limited, which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of

appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



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

#### **Opinion**

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
    - b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
    - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
- Report on Other Legal and Regulatory Requirements.
7. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order.
  8. As required by section 143(3) of the Act, we further report that:
    - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
    - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
    - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
    - d. in our opinion, the aforesaid standalone financial statements comply with the applicable Accounting Standards

specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;

- e. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act;
- f. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
  - (i) the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 41 to the financial statements;
  - (ii) the Company has made provision, as

required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 10 to the financial statements; and

- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For J.K. JAIN & ASSOCIATES**

Chartered Accountants

FRN:004025N

**(J.K. JAIN)**

(Partner)

Place: Panchkula

Date: 30.05.2015

M. No. :083140

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 7 Our Report of even date to the members of Venus Remedies Limited on the accounts of the company for the year ended 31st March, 2015

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

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management once in a year, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
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 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a) and iii (b) of the order 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 and services. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. The Company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act, 2013.
6. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained but we have not carried out the examination of records.

7. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues for a period of more than six months from the date they became payable except.
- (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes, except as mentioned in Note 41 to Notes on Financial Statements.
- (c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act and rules there under has been transferred to such fund within time.
8. 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.
9. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has defaulted in repayment of dues to a financial institution, bank or debenture holders. However, the company has gone for Corporate Debt Restructuring, which is approved and now under implementation.
10. 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.
11. 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.
12. 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)

M. No. :083140

Place: Panchkula

Date: 30.05.2015

**BALANCE SHEET as at 31st March, 2015**

Particulars	Note No.	As at 31.03.2015 (₹ in Lacs )	As at 31.03.2014 (₹ in Lacs)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	1144.20	1144.20
(b) Reserves and Surplus	2	45479.34	45597.37
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	3	16855.98	13950.59
(b) Deferred Tax Liabilities (Net)	4	1477.82	1778.53
(c) Other Long term Liabilities	5	69.09	66.90
(d) Long Term Provisions	6	378.39	331.39
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	7	11539.90	11007.67
(b) Trade Payables	8	2576.21	2814.17
(c) Other Current Liabilities	9	4768.29	5412.34
(d) Short-Term Provisions	10	190.77	1498.93
<b>Total</b>		<b>84480.00</b>	<b>83602.11</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	11		
(i) Tangible Assets		19599.79	19815.90
(ii) Capital WIP		7028.71	6156.33
(iii) Intangible Assets		22977.43	21793.11
(iv) Intangible Assets under Development		800.91	623.59
(b) Non-current investments	12	2873.61	2873.61
(c) Long term loans and advances	13	5165.31	5498.18
<b>(2) Current Assets</b>			
(a) Inventories	14	14043.73	14145.65
(b) Trade receivables	15	5937.02	6280.35
(c) Cash and cash equivalents	16	352.05	438.18
(d) Short-term loans and advances	17	5701.43	5977.21
<b>Total</b>		<b>84480.00</b>	<b>83602.11</b>
Significant Accounting Policies and Notes on Accounts	1 to 41		

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 Accountant

Firm Registration No. 004025N

**(J.K. JAIN)**

Partner

M. No. : 083140

PLACE : PANCHKULA

DATE : 30.05.2015

**(Peeyush Jain)**

Deputy Managing Director

**(Neha Kodan)**

Company Secretary

For and on behalf of the Board of Directors

**(Pawan Chaudhary)**

Chairman cum Managing Director

**(Ajeet Kapoor)**

GM Accounts

# STATEMENT OF PROFIT & LOSS for the Period Ended on 31st March, 2015

Sr. No.	Particulars	Note No.	As at 31.03.2015 (₹ in Lacs)	As at 31.03.2014 (₹ in Lacs)
I	Revenue from operations	18	45187.51	52605.58
II	Other Income	19	54.58	40.62
III	Total Revenue (I + II)		45242.09	52646.20
IV	Expenses:			
	Cost of materials consumed	20	26438.90	30128.14
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	652.78	(232.24)
	Employee Benefit Expenses	22	2725.55	2556.54
	Finance Costs	23	4070.33	2929.36
	Depreciation and Amortization Expenses	24	4474.08	3860.90
	Other Expenses	25	6676.95	6830.25
	Total Expenses (IV)		45038.59	46072.95
V	Profit before Tax	(III - IV)	203.51	6573.24
VI	Tax Expense:			
	(1) Current tax		40.72	1377.78
	(2) Deferred tax		(251.29)	310.44
	(3) Mat Credit		(40.72)	(1,210.00)
VII	Profit/(Loss) for the period		454.80	6095.02
VIII	Earning per equity share:			
	(1) Basic		3.97	54.19
	(2) Diluted		3.97	51.58

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 Accountant

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 : 30.05.2015

**(Neha Kodan)**

Company Secretary

**(Ajeet Kapoor)**

GM Accounts

**CASH FLOW STATEMENT for the year ended 31st March 2015**  
(PURSUANT TO CLAUSE NO. 32 OF THE LISTING AGREEMENT)

(₹ in Lacs)

PARTICULARS	As on 31.03.2015	As on 31.03.2014
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax & extraordinary items	203.51	6573.24
Adjustment for Depreciation	4474.08	3860.90
Interest Expense	3487.28	2,766.48
Increase in long term provision for gratuity and leave encashment	47.00	(40.02)
Adjustment of excess MAT Transferred to General Reserve	(375.21)	(9.63)
Adjustment reversing effect on profit of non-cash non-operating activities	-	(34.06)
Exchange Fluctuation	583.04	(158.00)
Interest Received	(26.04)	(24.55)
<b>Operating Profit before working capital changes</b>	<b>8393.66</b>	<b>10167.87</b>
Adjustments for increase /decrease in Current Assets	721.04	(4101.56)
Decrease / Increase in Current Liabilities/ Provisions	(2438.76)	(810.34)
<b>Net Cash Flow from operating activities (A)</b>	<b>6675.94</b>	<b>5255.98</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale/Purchase of Fixed Assets Including		
Capitalization of Expenses(NET)	(5866.64)	(7586.33)
Increase/ Decrease in Capital work in progress	(872.38)	(1789.41)
Interest Received	26.04	24.55
Proceeds from loans and advances	(1.62)	(23.78)
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(6714.60)</b>	<b>(9374.96)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital	-	90.00
proceed from share capital(share premium)	-	1819.80
Proceeds from share warrants	-	(477.45)
Proceeds from Long Term Borrowing(Net)	2907.58	1059.41
Proceeds from Short term Borrowing(Net)	532.23	1439.54
Interest Expense	(3487.28)	(2766.48)
<b>Net Cash from Financing Activities (C)</b>	<b>(47.47)</b>	<b>3931.30</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(86.13)</b>	<b>(187.69)</b>
Cash & Cash Equivalents as at 31.03.2014	438.18	-
Cash & Cash Equivalents as at 31.03.2015	352.05	-
Cash & Cash Equivalents as at 31.03.2013		625.87
Cash & Cash Equivalents as at 31.03.2014		438.18

**AUDITOR'S REPORT**

As per our separate report of even date

For **J. K. JAIN & ASSOCIATES**

Chartered Accountant

Firm Registration No. 004025N

**(J.K. JAIN)**

Partner

M. No. : 083140

PLACE : PANCHKULA

DATE : 30.05.2015

**(Peeyush Jain)**  
Deputy Managing Director

**(Neha Kodan)**  
Company Secretary

For and on behalf of the Board of Directors

**(Pawan Chaudhary)**  
Chairman cum Managing Director

**(Ajeet Kapoor)**  
GM Accounts

## 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

The company has changed the method of charging depreciation as prescribed by the companies act 2013. Now the Company is following the useful life method of depreciation as per the useful life specified in part C of Schedule II of the Companies Act 2013 instead of straight line method of depreciation at the rates as specified in schedule XIV of the Companies Act 1956. The Carrying amount of assets is being depreciated over the remaining useful life of the assets. In case the remaining useful life of an asset is exhausted, the depreciation amount after retaining the residual value is transferred to General Reserve.

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

### (IV) INVENTORIES

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

- (a) Stock Raw Material and Packing Material: - At cost price.
- (b) Stock of Work in Progress:- At material cost plus apportioned manufacturing overheads
- (c) 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.
- (d) Spares and consumables:- at cost.

### (V) INVESTMENTS (AS-13)

- (a) 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.
- (b) Current investments are carried at lower of cost and fair market value.

### (VI) RETIREMENT BENEFITS (AS-15)

- (a) 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.



## SIGNIFICANT ACCOUNTING POLICIES

- (b) 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)

- (a) 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.
- (b) Dividends are accounted for as and when received.
- (c) Other income is accounted for on mercantile basis unless otherwise stated in other accounting standard.

### (VIII) RESEARCH AND DEVELOPMENT COSTS

- (a) Capital Expenditure on assets for research and development is included in cost of fixed assets.
- (b) (i) 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.
- (ii) 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).
- (iii) 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.

### (IX) INTANGIBLE ASSETS (AS 26)

- (i) The company has changed the policy to amortise the patent and trademarks over the period of 12 years from 10 years, as the estimated normal useful life of the patent is 12 years.

### (X) BORROWING COSTS (AS-16)

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

### (XI) TRANSLATION OF FOREIGN EXCHANGE TRANSACTIONS (AS-11)

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

## SIGNIFICANT ACCOUNTING POLICIES

### (XII) INCOME TAX

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

### (XIII) GOVERNMENT GRANTS

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

### (XIV) IMPAIRMENT OF ASSETS (AS-28)

An asset 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.

### (XV) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (AS-29)

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

### (XVI) FORWARD EXCHANGE CONTRACTS (AS-30)

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

## NOTES ON FINANCIAL STATEMENT for the period ended on 31st March 2015

### Note : 1 Share Capital

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	<b>Authorized Share Capital</b> 15000000 Equity Shares of ₹ 10/- each. (Previous Year 15000000 Equity Shares of ₹ 10/- each)	1500.00 1500.00	1500.00 1500.00
2	<b>Issued, Subscribed &amp; Paid UP Capital</b> 11441988 Equity Shares of ₹ 10/- each, Fully paid up (Previous year 11441988 Equity Shares of 10/- each)	1144.20	1144.20
	<b>Total</b>	<b>1144.20</b>	<b>1144.20</b>

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

Sr. No	Name of Shareholders	31.03.2015 (%)	31.03.2014 (%)
1	Sunev Pharma Solutions Limited	2300000 (20.10%)	2900000 (25.34%)
2	Rel Utility Engineers Ltd formally known (Sonata Investments Limited)	438260 (3.83%)	1195995 (10.45%)
3	Pawan Chaudhary	680000 (5.94%)	1133902 (9.91%)
4	Manu Chaudhary	750000 (6.55%)	971000 (8.48%)

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

Sr. No	Name of Shareholders	31.03.2015 No. of Shares	31.03.2014 No. of Shares
1	Equity Shares at the beginning of the year	11441988	10541988
2	Add: Shares issued during the year	-	900000
	Equity Shares at the end of the year	11441988	11441988

#### 1.4 The promoters have pledged 37.30 lacs no of shares to the company's bankers as collateral security.

## NOTES ON FINANCIAL STATEMENT for the period ended on 31st March 2015

### Note : 2 Reserve & Surplus

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	<b>Securities Premium</b>		
	As per last Balance Sheet	6851.15	5031.35
	Add: Securities Premium collected on share issue	-	1819.80
	<b>Total A</b>	<b>6851.15</b>	<b>6851.15</b>
2	<b>General Reserve</b>		
	As per last Balance Sheet	24020.14	21029.77
	Add : Addition during the year	-	3000.00
	Add : Mat Credit for Previous Years	(375.21)	(9.63)
	Less : Assets W/off	(197.61)	-
	<b>Total B</b>	<b>23447.32</b>	<b>24020.14</b>
3	<b>Surplus (Profit &amp; Loss Account)</b>		
	As per last Balance Sheet	14726.07	11631.06
	Add: Profit for the period	454.80	6095.02
	<b>Less: Appropriations</b>		
	Less: Transfer to General Reserve	-	3000.00
	<b>Total C</b>	<b>15180.87</b>	<b>14726.07</b>
	<b>Total (A+B+C)</b>	<b>45479.34</b>	<b>45597.37</b>

### Note : 3 Long Term Borrowings

#### A. Secured Loans

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Term Loans	15090.32	11427.18
	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 (Secured by way of hypothecation vehicle financed)	0.55	1.23
	<b>Total</b>	<b>15090.86</b>	<b>11428.40</b>

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

1-2 Years	2-3 Year	3-4 Years
2051.00	2181.00	2669.00

**NOTES ON FINANCIAL STATEMENT for the period ended on 31st March 2015**

**B. Unsecured Loans**

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	<b>Bonds</b>		
	Foreign Currency Convertible Bonds (45,95,833 Bonds convertible at ₹ 364 per Equity share outstanding including premium of ₹ 354 per share)	-	2522.19
2	Loan from Promoters	1765.12	-
	<b>Total</b>	<b>1765.12</b>	<b>2522.19</b>

**Note : 4 Deferred Tax Liability (net)**

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Deferred Tax Liability	1477.82	1778.53
	<b>Total</b>	<b>1477.82</b>	<b>1778.53</b>

**Note : 5 Other Long Term Liabilities**

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Security Retained from Staff	18.73	18.08
2	Security Retained from Contractors	36.55	34.87
3	Security in lieu of C Form	8.90	9.04
4	Security from Stockist	4.91	4.91
	<b>Total</b>	<b>69.09</b>	<b>66.90</b>

**Note : 6 Long Term Provisions**

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	<b>Provision For Employees Benefit</b>		
	Provision for Gratuity	223.38	194.70
	Provision for Leave Encashment	155.01	136.70
	<b>Total</b>	<b>378.39</b>	<b>331.39</b>

**Note: 7 Short Term Borrowings**

**(Secured Loans)**

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Working Capital Loan from Bank	11539.90	11007.67
	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>11539.90</b>	<b>11007.67</b>

**NOTES ON FINANCIAL STATEMENT for the period ended on 31st March 2015**

**Note : 8 Trade Payables**

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Micro, Small and Medium Enterprises	63.40	86.66
2	Others	2512.81	2727.52
	<b>Total</b>	<b>2576.21</b>	<b>2814.17</b>

**Note: 9 Other Current Liabilities**

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Current Maturities of Long Term debts	129.20	3826.67
2	Current Maturities of Vehicle Loan Obligation	0.68	0.74
3	Current Maturities of FCCB	3368.94	-
4	Advance From Customers	78.10	178.11
5	Creditors for Capital Expenditure	122.04	154.12
6	Unclaimed Dividends	45.56	54.04
7	Creditor For Expenses	112.91	159.96
8	Other Payable	910.84	1038.71
	<b>Total</b>	<b>4768.29</b>	<b>5412.34</b>

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

**Note : 10 Short Term Provisions**

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
	<b>Others</b>		
1	Provision for Taxation	40.72	1377.78
2	Provision for Gratuity	41.76	35.38
3	Provision for Leave Encashment	13.34	12.40
4	Provision for MIT	84.95	67.08
5	Provision for Excise Duty on Finished Goods	10.00	6.28
	<b>Total</b>	<b>190.77</b>	<b>1498.93</b>

## NOTES ON FINANCIAL STATEMENT for the period ended on 31st March 2015

### Schedule : 11 Fixed Asset

(₹ in Lacs)

Sr.	Particulars	Useful Life	Gross Block				Depreciation				Net Block	
			Value at the	Addition during the beginning	Deduction during the year	Value at the end year	Value at the beginning	Addition during the year	Exhausted Assets transferred to General Reserve	Value at the end	WDV 31.3.15	WDV 31.3.14
<b>I</b>	<b>Tangible Assets</b>											
1	Land		922.94	-	-	922.94	-	-	-	-	922.94	922.94
2	Building	30	4451.20	16.58	-	4467.77	875.94	155.13	-	1031.07	3,436.70	3575.26
3	Building for R & D	30	1291.02	8.78	-	1299.80	284.41	45.23	-	329.64	970.16	1006.61
4	Plant & Machinery	20	7829.42	544.57	-	8373.98	1876.10	441.61	1.24	2318.94	6,055.04	5953.32
5	R & D Pilot Plant	20	955.85	167.28	-	1123.13	186.05	53.93	-	239.98	883.15	769.80
6	R & D Equipment	15	3550.74	627.85	-	4178.59	832.69	317.48	-	1150.18	3,028.41	2718.05
7	Computer, I.T and Communication Equipment	3 & 6	2124.15	274.57	-	2398.72	1253.73	378.63	146.65	1779.01	619.71	870.42
8	D G Set	10	215.06	0.21	-	215.27	124.33	16.67	-	141.00	74.27	90.73
9	Electrical Installation	10	788.67	38.00	-	826.67	180.02	162.25	2.76	345.03	481.64	608.65
10	Furniture & Fixture	10	593.71	31.77	-	625.48	193.71	101.59	1.99	297.29	328.19	400.00
11	Lab Equipment	10	1894.31	458.74	-	2353.05	354.06	275.57	0.69	630.32	1,722.73	1540.25
12	Misc. Fixed Assets	15	607.49	12.86	-	620.34	131.07	44.82	4.49	180.39	439.95	476.41
13	Office Equipment/ Security Equipment	5	388.12	41.77	-	429.89	104.09	116.42	58.76	279.27	150.62	284.03
14	Pollution Control	15	491.17	17.83	-	509.00	75.98	27.43	0.00	103.41	405.60	415.19
15	Vehicles	8	472.95	-	-	472.95	288.71	73.12	30.45	392.28	80.68	184.25
	<b>TOTAL</b>		<b>26576.79</b>	<b>2240.80</b>	<b>-</b>	<b>28817.59</b>	<b>6760.89</b>	<b>2,209.87</b>	<b>247.04</b>	<b>9217.80</b>	<b>19,599.79</b>	<b>19815.90</b>
	<b>(PREVIOUS YEAR)</b>		<b>23708.95</b>	<b>2872.37</b>	<b>4.52</b>	<b>26576.80</b>	<b>5379.51</b>	<b>1381.38</b>	<b>-</b>	<b>6760.89</b>	<b>19,815.90</b>	<b>18329.44</b>
<b>II</b>	<b>Capital Work-in-progress</b>											
1	Building Under Construction		5656.13								6,537.87	5656.13
2	Plant & Machinery		313.44								290.41	313.44
3	Electrical		16.23								15.20	16.23
4	R & D Block		170.53								185.23	170.53
	<b>TOTAL</b>		<b>6156.33</b>								<b>7,028.71</b>	<b>6156.33</b>
	<b>(PREVIOUS YEAR)</b>		<b>4366.92</b>								<b>6,156.33</b>	<b>4366.92</b>
<b>III</b>	<b>Intangible Assets</b>											
1	Patent IPR Technologies	12	19233.46	2589.40	-	21822.86	4899.21	1502.53	-	6401.74	15,421.12	14334.25
2	Product & Process Development	12	9750.58	859.13	-	10609.70	2291.71	761.68	-	3053.39	7,556.31	7458.86
	<b>TOTAL</b>		<b>28984.03</b>	<b>3448.52</b>	<b>-</b>	<b>32432.56</b>	<b>7190.92</b>	<b>2,264.21</b>	<b>-</b>	<b>9455.13</b>	<b>22,977.43</b>	<b>21793.11</b>
	<b>(PREVIOUS YEAR)</b>		<b>24473.95</b>	<b>4510.09</b>	<b>-</b>	<b>28984.03</b>	<b>4711.40</b>	<b>2479.52</b>	<b>-</b>	<b>7190.92</b>	<b>21,793.11</b>	<b>19762.55</b>
<b>IV</b>	<b>Intangible Assets Under Development</b>											
			623.59								800.91	623.59
	<b>TOTAL</b>		<b>623.59</b>								<b>800.91</b>	<b>623.59</b>
	<b>(PREVIOUS YEAR)</b>		<b>413.62</b>								<b>623.59</b>	<b>413.62</b>

## NOTES ON FINANCIAL STATEMENT for the period ended on 31st March 2015

### Note : 12 Non Current Investment

#### A. Other Investments

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	In the Equity Shares of WOS Venus Pharma GmbH	2873.61	2873.61
	<b>Total</b>	<b>2873.61</b>	<b>2873.61</b>

### Note : 13 Long Term Loans and Advances

#### (Unsecured, Considered good)

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Security Deposit	46.06	44.44
2	<b>Other Loans &amp; Advances</b>		
	Mat Credit	5119.25	5453.74
	<b>Total</b>	<b>5165.31</b>	<b>5498.18</b>

### Note: 14 Inventories

#### (As taken, valued and certified by the management)

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Raw Material	9156.15	8621.75
2	Work-in-Progress	2545.54	2947.84
3	Finished Goods	2240.14	2490.62
4	Consumables	7.90	8.05
5	Stores & Spares	5.21	6.93
6	Printing & Stationary	3.85	3.38
7	<b>Goods-in-transit</b>		
	a) Raw Material	69.55	53.69
	b) Packing Material	15.40	13.39
	<b>Total</b>	<b>14043.73</b>	<b>14145.65</b>

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

### Note : 15 Trade Receivables

#### (Unsecured, Considered good)

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Outstanding for more than six months	79.76	66.65
2	Others	5857.26	6213.71
	<b>Total</b>	<b>5937.02</b>	<b>6280.35</b>



## NOTES ON FINANCIAL STATEMENT for the period ended on 31st March 2015

- 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

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	<b>Cash-in-Hand</b>		
	Cash Balance	4.56	5.88
	Foreign Exchange in Hand	1.19	1.10
	<b>Sub Total (A)</b>	<b>5.75</b>	<b>6.98</b>
2	<b>Bank Balance</b>		
	In current Accounts	63.65	63.46
	<b>Sub Total (B)</b>	<b>63.65</b>	<b>63.46</b>
3	<b>Fixed Deposits</b>		
	Fixed Deposit being Margin Money	282.65	367.74
	<b>Sub Total (C)</b>	<b>282.65</b>	<b>367.74</b>
	<b>Total [A + B + C]</b>	<b>352.05</b>	<b>438.18</b>

- 16.1 Balance with Banks includes Unclaimed Dividend of ₹ 45.56 Lacs (Previous Year ₹ 54.04 Lacs).  
 16.2 Fixed deposits with banks include deposits of ₹ Nil (Previous year ₹ 18.19 Lacs) with the maturity of more than 12 months.  
 16.3 An amount of ₹ 282.65 Lacs (Previous Year ₹ 367.74 Lacs) is held with Banks as margin money for Bank Guarantees/ Letter of Credit.

### Note : 17 Short Terms Loans and Advances (Unsecured, Considered Good)

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Balance with Revenue Authorities under Indirect Taxes	2.35	19.23
2	Loan to Staff	45.90	63.06
3	Other Loans & Advances	5653.18	5894.91
	(Advance Recoverable in cash or in kind or for value to be considered good)		
	<b>Total</b>	<b>5701.43</b>	<b>5977.21</b>

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

## NOTES ON FINANCIAL STATEMENT for the period ended on 31st March 2015

### Note : 18 Revenue from Operations

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Sale of products	45040.55	51954.39
2	Income from research activities	160.06	213.22
3	Other Operating Revenue	52.92	202.48
4	Exchange Fluctuation (Net)	-	320.88
	<b>Total</b>	<b>45253.53</b>	<b>52690.97</b>
	Less : Excise duty	66.02	85.38
	<b>Total</b>	<b>45187.51</b>	<b>52605.58</b>

18.1 Other Operating Revenue includes ₹ 52.61 Lacs received / receivable from Government as Export Incentives.

### Note : 19 Other Income

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Bank Interest	26.04	24.55
2	Misc. Income (Recovery & Income)	19.29	2.67
3	Claim Received	1.67	2.11
4	Income from Sales of Scrap	7.59	11.28
	<b>Total</b>	<b>54.58</b>	<b>40.62</b>

### Note : 20 Cost of Material Consumed

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
	Opening Stock		
	- Raw Material	8621.75	7144.02
	Add : Purchases	26973.30	31605.88
	<b>Total</b>	<b>35595.05</b>	<b>38749.90</b>
	Less : Closing Stock	9156.15	8621.75
	<b>Total</b>	<b>26438.90</b>	<b>30128.14</b>

### 20.1 Detail Of Material Consumed

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015		31.03.2014	
		Kgs.	(₹ in Lacs)	Kgs.	(₹ in Lacs)
1	Cephalosporins / FDC	51368	4973.70	50094	5675.30
2	Carbapenem	4163	5135.59	3710	4221.52
3	Anti-Cancer	244	3734.42	282	4264.80
4	Other Material	-	6808.63	-	9068.71
5	Packing Material	-	5786.56	-	6897.81
	<b>Total</b>	<b>55775.00</b>	<b>26438.90</b>	<b>54086.00</b>	<b>30128.14</b>

## NOTES ON FINANCIAL STATEMENT for the period ended on 31st March 2015

### 20.2 Particulars of Material Consumed

(₹ in Lacs)

Sr. No.	Particulars	As on 31-03-2015 (% Consumed)	As on 31-03-2014 (% Consumed)
1	Imported	8174.52 (30.92)	7402.15 (24.57)
2	Indigenous	18264.38 (69.08)	22725.99 (75.43)
	<b>Total</b>	<b>26438.90 (100)</b>	<b>30128.14 (100)</b>

### Note : 21 Change in Inventories

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	<b>Opening Stock</b>		
	- Finished Goods	2490.62	2633.06
	- Work In Progress	2947.84	2573.15
	<b>Total (A)</b>	<b>5438.46</b>	<b>5206.22</b>
2	<b>Closing Stock</b>		
	- Finished Goods	2240.14	2490.62
	- Work in progress	2545.54	2947.84
	<b>Total (B)</b>	<b>4785.68</b>	<b>5438.46</b>
	<b>Change in Inventories (A-B)</b>	<b>652.78</b>	<b>(232.24)</b>

### Note : 22 Employee Benefit Expenses

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Salaries & Wages	2493.44	2338.62
2	Contribution to Provident Fund and other funds	163.03	137.62
3	Staff Welfare Expenses	69.08	80.30
	<b>Total</b>	<b>2725.55</b>	<b>2556.54</b>

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

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	<b>Gratuity</b>		
	Fair value of plan assets		
	Present value of obligation	265.14	230.08
	Amount recognised in balance Sheet	265.14	230.08
2	<b>Leave Encashment</b>		
	Fair value of plan assets		
	Present value of obligation	168.35	149.09
	Amount recognised in balance Sheet	168.35	149.09

## NOTES ON FINANCIAL STATEMENT for the period ended on 31st March 2015

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

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

### 22.2 Expenses recognised during the year

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	<b>Gratuity</b>		
	Current Service Cost	40.94	39.13
	Interest Cost	18.41	17.30
	Net Actuarial (gain)/loss recognised in the period	(11.09)	(6.49)
	<b>Expense recognised in the P&amp;L Statement</b>	<b>48.26</b>	<b>49.94</b>
2	<b>Leave Encashment</b>		
	Current Service Cost	65.73	52.18
	Interest Cost	11.93	11.35
	Net Actuarial (gain)/loss recognised in the period	(41.11)	(30.52)
	<b>Expense recognised in the P&amp;L Statement</b>	<b>36.54</b>	<b>33.01</b>

### Note : 23 Financial Cost

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Interest Expenses	3133.07	2497.26
2	Exchange Fluctuation	583.04	162.88
3	Other Borrowing Cost	354.21	269.22
	<b>Total</b>	<b>4070.33</b>	<b>2929.36</b>

### Note: 24 Depreciation & Amortised Cost

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Depreciation	2209.87	1381.38
2	Amortisation of Intangible Assets	2264.21	2479.52
	<b>Total</b>	<b>4474.08</b>	<b>3860.90</b>

**NOTES ON FINANCIAL STATEMENT for the period ended on 31st March 2015**

**Note : 25 Other Expenses**

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Power & Fuel	328.40	310.62
2	Consumables	108.49	107.73
3	<b>Repair &amp; Maintenance</b>		
	- Building	17.56	23.03
	- Electrical	7.51	10.57
	- Plant & Machinery	54.44	75.68
4	Other Manufacturing Expenses	99.09	118.73
	<b>Total</b>	<b>615.50</b>	<b>646.36</b>

**B. Administration Expenses**

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Rent	1.24	1.11
2	Rates, Fee & Taxes	4.21	6.52
3	Insurance	29.31	21.98
4	Legal and Professional Expenses	54.98	71.85
5	Postage, Telex & Telegram	2.66	2.99
6	Printing & Stationery	25.65	29.83
7	Telephone Expenses	28.70	33.14
8	<b>Traveling &amp; Conveyance:</b>		
	- Staff	42.88	40.48
	- Directors	14.58	9.16
	- Others	4.41	4.79
9	<b>Running, Repair &amp; Maintenance:</b>		
	- Vehicles	77.86	73.60
	- Computer	10.07	11.75
	- Others	7.70	8.96
10	Auditors' Fees	12.17	11.70
11	Directors Remuneration	192.10	177.79
12	Other Administrative Expenses	167.02	97.09
13	Other Corporate Expenses	122.73	165.43
	<b>Total</b>	<b>798.25</b>	<b>768.16</b>

## NOTES ON FINANCIAL STATEMENT for the period ended on 31st March 2015

### C. Selling and Distribution Expenses

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Discount / Commission	872.58	1063.43
2	Other Selling Expenses	689.87	763.12
3	Advertisement & Sales Promotion	1601.08	1073.11
4	Sample Distribution	116.43	76.09
5	Incentive to Field Force	59.09	88.34
6	Traveling and conveyance Field Staff (Incl. Hotel)	715.84	685.98
	<b>Total</b>	<b>4054.89</b>	<b>3750.07</b>

### Research and Development Expenses

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Remuneration of R & D Staff	457.06	442.82
2	R & D Expenses	231.58	441.99
3	Material used for Development of new products	425.73	655.79
4	R & D Consumables	93.93	125.06
	<b>Total</b>	<b>1208.31</b>	<b>1665.67</b>
	<b>GRAND TOTAL</b>	<b>6676.95</b>	<b>6830.25</b>

26. The previous year figures have been re-arranged and re-grouped where ever found necessary.

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

### 28. EARNING PER SHARE (AS-20)

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

Profit after Tax	(₹ in Lacs)	
	454.79 as on 31.03.2015	6095.01 as on 31.03. 2014
Weighted average number of shares in calculating the basic EPS	11441988	11247193
Add : Weighted average number of shares under FCCB	-	568924
<b>Weighted average number of shares in calculating Diluted EPS</b>	<b>11441988</b>	<b>11816117</b>
<b>Earning per share (Face value ₹ 10 /each)</b>		
Earning per share - Basic in	3.97	54.19
Earning per share - Diluted in	3.97	51.58

## NOTES ON FINANCIAL STATEMENT for the period ended on 31st March 2015

29. During the year, the company has undertaken a review of all fixed assets in line with the requirements of AS-28 on "Impairment of Assets" issued by the Institute of Chartered Accountant of India. Based on such review, no provision for impairment is required to be recognized for the year.
30. During the year the Company has changed the depreciation policy from straight line method to Useful Life method of depreciation as prescribed in Schedule II of the Companies Act, 2013. Due to this change in the method of depreciation, the reported amount of depreciation is lower by 10.87 lacs. However depreciation on fixed assets whose useful life is already exhausted as on 01.04.2014 amounting to ₹ 247.04 lacs has been debited to General Reserve Account. The corresponding Deferred Tax Liability on such fixed assets amounting to ₹ 49.43 lacs has also been reserved and credited to General Reserve Account.
31. 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.
32. As per the provisions of FCCB agreement, the FCCB was to be converted into equity shares by 01-02-2015. However, the bond holder have not exercise their option to convert the bonds into equity shares. Therefore, the company has made the provision of interest amount in the books of accounts.
33. During the year, the Company's proposal for restructuring of its debts was approved by Corporate Debt Restructuring Cell (CDR Cell) on 25.11.2014 and communicated vide its Letter of Approval (LOA) dated December 17, 2014. Lenders with the approval of CDR EG shall have the right to recompense the reliefs/ sacrifices/waivers extended by respective CDR Lenders as per the CDR guidelines. The recompense payable is contingent on various factors including improved performance of the Company and many other conditions, the outcome of which is currently materially uncertain. Tentative recompense amount comes to ₹. 12.47 crores in 2014-15.
34. The figures in the Balance Sheet and Profit & Loss Account for the year have been rounded off to nearest lacs.
35. **Payments to Auditors :**

(₹ in Lacs)

Sr. No	Particulars	Current Year	Previous Year
1	Statutory Audit Fees	9.26	8.90
2	Tax Audit Fees	1.57	1.51
	Add : Service Tax	1.33	1.29
	<b>Total</b>	<b>12.16</b>	<b>11.70</b>

### 36. Value of Imports on CIF Basis in respect of:

(₹ in Lacs)

Sr. No	Particulars	Current Year	Previous Year
1	Raw & Packing Material	8214.55	9204.89
2	Capital Goods	3.64	NIL

## NOTES ON FINANCIAL STATEMENT for the period ended on 31st March 2015

### 37. Expenditure in Foreign Exchange :

(Currency in Lacs)

Particulars		Current Year	Previous Year
Salary	USD	1.50	1.41
Traveling	USD	0.03	0.05
	EURO	-	0.04
Regulatory Fee for Patent/Products & Plant Registration/Export	USD	11.60	22.04
	AUD	0.05	-
	EURO	0.66	11.11
	JPY	5.64	6.37
Remittance on account of dividend	USD	-	0.01
Subscription / Publication	USD	0.002	-0.03
	GBP	-	0.0005
	AUD	-	0.004
Commission / Incentive	USD	0.74	0.66
	EURO	0.03	0.02

### 38. Earnings in Foreign Exchange

Value of Export on FOB Basis

(Currency in Lacs)

Sr. No.	Particulars		Current Year	Previous Year
1.	Sales	USD	52.84	67.05
		EURO	96.16	115.04
2.	R & D Activities	USD	1.06	1.94
		EURO	1.39	0.34

### 39. Related Party Disclosures :

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

(Currency in Lacs)

Related Party Relation ship	Subsidiaries	Associates	Key managerial Personnel	Current Year	Previous Year
Allotment of Share capital (Including Premium)	-	-	-	-	1909.80
Sales & Others	7389.68	31.23	-	7420.91	8024.75
Purchases and Others	34.56	356.23	-	390.79	992.10
Remuneration to Directors/KMP	-	-	192.09	192.09	177.79
Advance paid /(Recovered) for in licensing of Technology	-	(1567.20)	-	(1567.20)	1170.00



## NOTES ON FINANCIAL STATEMENT for the period ended on 31st March 2015

### 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

### 40. Remittance in foreign currency on account of dividend. (₹ in Lacs)

Particulars	Current Year	Previous Year
Number of Non Residents Share Holders	Nil	Nil
Number of Equity Shares held by them	Nil	Nil
(i) Amount of dividend paid	Nil	Nil
(ii) Tax Deducted at Source	Nil	Nil
(iii) Year to which the dividend relates	2014-15	2013-14

### 41. Contingent Liabilities and Commitments (₹ in Lacs)

Particulars	Current Year	Previous Year
<b>Contingent Liabilities</b>		
a) Letter of Credit / Bank Guarantees – Inland	222.98	81.43
b) Bank Guarantees foreign	1.25	24.70
c) Letter of credit – Foreign	126.00	379.48
d) Interest on FCCB's	-	84.07
e) Tax demand pending in appeal	208.03	140.11

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

For **J.K. Jain & Associates**  
Chartered Accountant  
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 : 30.05.2015

(**Neha Kodan**)  
Company Secretary

(**Ajeet Kapoor**)  
GM Accounts

**VENUS PHARMA GmbH GERMANY**

Sr. No.	Particulars	31.03.2015		31.03.2014	
		Euro in Lacs	₹ in Lacs	Euro in Lacs	₹ in Lacs
a.	Capital	49.42	3336.90	49.42	4081.58
b.	Reserves	(21.00)	(1418.40)	(21.63)	(1786.41)
c.	Total Assets	45.61	3078.93	37.62	3106.21
d.	Total Liability	45.61	3078.93	37.62	3106.21
e.	Turnover	112.32	8428.78	121.94	9274.45
f.	Profit Before Tax	0.63	61.28	4.57	334.66
g.	Provision of Taxation	Nil	Nil	Nil	Nil
h.	Profit After Tax	0.63	61.28	4.57	334.66
i.	Proposed Dividend	Nil	Nil	Nil	Nil

## **Independent Auditor's Report**

To

The Members of

**VENUS REMEDIES LIMITED  
PANCHKULA**

### **Report on the Financial Statements**

1. We have audited the accompanying Consolidated financial statements of M/s Venus Remedies Ltd. and its wholly owned subsidiary, Venus Pharma GMBH which comprise the Consolidated Balance Sheet as at March 31, 2015, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements.

2. The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and

application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

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

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of

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

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

#### Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with International Accounting Standard (IFRS) issued by International Accounting Standard which are generally accepted in Germany.
  - a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
  - b) in the case of the Consolidated Statement of Profit and Loss, of the profit/ loss for the year ended on that date; and

- c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

7. As required by section 143(3) of the Act, we further report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) the Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;

For **J.K. JAIN & ASSOCIATES**

Chartered Accountants

FRN:004025N

**(J.K. JAIN)**

(Partner)

Place: Panchkula

Date: 30.05.2015

M. No. :083140

## CONSOLIDATED BALANCE SHEET AS AT 31st March, 2015

Particulars	Note No.	As at 31.03.2015 (₹ in Lacs)	As at 31.03.2014 (₹ in Lacs)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	1144.20	1144.20
(b) Reserves and Surplus	2	44524.22	45016.55
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	3	16860.48	13998.40
(b) Deferred Tax Liabilities (Net)	4	1477.82	1778.53
(c) Other Long term Liabilities	5	69.09	66.90
(d) Long Term Provisions	6	378.39	331.39
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	7	11539.90	11007.67
(b) Trade Payables	8	2956.30	3122.29
(c) Other Current Liabilities	9	4964.93	5518.07
(d) Short-Term Provisions	10	190.77	1451.15
<b>Total</b>		<b>84106.11</b>	<b>83435.16</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	11		
(i) Tangible Assets		21255.99	21946.73
(ii) Capital Work in Progress		7028.71	6156.33
(iii) Intangible Assets		23108.72	21998.83
(iv) Intangible Assets under Development		800.91	623.59
(b) Long term loans and advances	12	5165.31	5498.18
<b>(2) Current Assets</b>			
(a) Inventories	13	14286.54	14225.56
(b) Trade receivables	14	6321.50	6498.58
(c) Cash and cash equivalents	15	361.51	440.71
(d) Short-term loans and advances	16	5776.92	6046.65
<b>Total</b>		<b>84106.11</b>	<b>83435.16</b>
Significant Accounting Policies and Notes on Accounts	1 to 38		

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 Accountant  
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 : 30.05.2015

**(Neha Kodan)**

Company Secretary

**(Ajeet Kapoor)**

GM Accounts

**STATEMENT OF CONSOLIDATED PROFIT & LOSS for the period ended 31st March, 2015**

Particulars	Note No.	As at 31.03.2015 (₹ in Lacs)	As at 31.03.2014 (₹ in Lacs)
<b>I Revenue from operations</b>	<b>17</b>	<b>46399.07</b>	<b>54155.70</b>
<b>II Other Income</b>	<b>18</b>	<b>68.03</b>	<b>47.20</b>
<b>III Total Revenue (I + II)</b>		<b>46467.09</b>	<b>54202.90</b>
<b>IV Expenses:</b>			
Cost of materials consumed	19	26438.90	30128.15
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20 21	455.49 3236.22	(127.60) 3044.56
Employee Benefit Expenses			
Finance Costs	22	4121.36	2940.40
Depreciation and Amortization Expenses	23	4599.69	4021.67
Other Expenses	24	7350.65	7287.80
Total Expenses (IV)		46202.31	47294.99
<b>V Profit before Tax</b>	<b>(III - IV)</b>	<b>264.78</b>	<b>6907.91</b>
<b>VI Tax expense:</b>			
(1) Current tax		40.72	1377.78
(2) Deferred tax		(251.29)	310.44
(3) Mat Credit		(40.72)	(1210.00)
<b>VII Profit/(Loss) for the period</b>		<b>516.07</b>	<b>6429.68</b>
<b>VIII Earning per equity share:</b>			
Basic earning per share		4.51	57.17

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

For **J. K. JAIN & ASSOCIATES**  
Chartered Accountant  
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 : 30.05.2015

(**Neha Kodan**)  
Company Secretary

(**Ajeet Kapoor**)  
GM Accounts

**CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March 2015**

(₹ in Lacs)

Particulars	As on 31.03.2015	As on 31.03.2014
<b>A) Cash Flow From Operating Activities</b>		
Net Profit before tax & extraordinary items	264.79	6907.90
Adjustment for Depreciation	4599.69	4021.67
Increase in Long Term Provision for Gratuity & Leave encashment	47.00	(40.02)
Adjustment of excess MAT Transferred to General Reserve	(375.21)	(9.63)
Adjustment reversing effect on profit of non-cash operating activities	-	(37.10)
Exchange Fluctuation	571.82	(191.24)
Interest Received	(26.06)	(24.57)
Interest Paid	3538.31	3.49
Bad Debt allowances	-	2.24
Profit / Loss on sale of Fixed Assets	-	(3.52)
<b>Operating Profit before working capital changes</b>	<b>8620.34</b>	<b>10629.23</b>
Adjustments for increase /decrease in Current Assets	385.84	(3931.61)
Decrease / Increase in Current Liabilities/ Provisions	(2225.70)	(1433.07)
<b>Net Cash Flow from operating activities (A)</b>	<b>6780.48</b>	<b>5264.55</b>
<b>B) Cash Flow From Investing Activities</b>		
Sale/Purchase of Fixed Assets Including	(3.29)	-
Capitalization of Expenses(NET)	(5866.64)	(7677.45)
Increase/ Decrease in Capital work in progress	(872.38)	(1789.41)
Sale/Purchase of Investment	-	-
Interest Received	26.06	24.57
Proceeds from loans and advances	(1.62)	(23.78)
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(6717.87)</b>	<b>(9466.06)</b>
<b>C) Cash Flow From Financing Activities</b>		
Proceeds from Issue of Share Capital	-	90.00
Proceed from share capital(share premium)	-	1819.80
Proceeds from share warrants	-	(477.45)
Interest Paid	(3538.31)	(3.49)
Proceeds from Long Term Borrowing(Net)	2864.27	1138.04
Proceeds from Short term Borrowing (Net)	532.23	1439.54
<b>Net Cash from Financing Activities (C)</b>	<b>(141.81)</b>	<b>4006.44</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(79.20)</b>	<b>(195.07)</b>
Cash & Cash Equivalents as at 31.03.2014	440.71	
Cash & Cash Equivalents as at 31.03.2015	361.51	
Cash & Cash Equivalents as at 31.03.2013		635.78
Cash & Cash Equivalents as at 31.03.2014		440.71

**AUDITOR'S REPORTS**

As per our separate report of even date

For **J. K. JAIN & ASSOCIATES**

Chartered Accountant

Firm Registration No. 004025N

**(J.K. JAIN)**

Partner

M. No. : 083140

PLACE : PANCHKULA

DATE : 30.05.2015

**(Peeyush Jain)**

Deputy Managing Director

**(Neha Kodan)**

Company Secretary

**(Pawan Chaudhary)**

Chairman cum Managing Director

**(Ajeet Kapoor)**

GM Accounts

## SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As on 31st March, 2015

### Principles of Consolidation

1. The consolidated financial statements relates to Venus Remedies Limited ('the Company') and its subsidiary "Venus Pharma GmbH" ('the Subsidiary'). The consolidated financial statements have been prepared on the following basis:
  - a) The financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
  - b) In case of foreign subsidiary, being non-integral foreign operations, revenue items are consolidated at average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the exchange fluctuation reserve.
  - c) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
  - d) The difference between the proceeds from disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the consolidated statement of Profit and loss account as the profit or loss on disposal of investment in subsidiary.
  - e) In case of associated companies where the company directly or indirectly through subsidiaries holds more than 20% of equity, Investments in associates are accounted for using equity method in accordance with accounting Standard (AS) 23- "Accounting for investments in associates in consolidated financial statements" issued by the Institute of Chartered Accountants of India.
  - f) The Company accounts for its share in the change in the net assets of the associates, post acquisition, after eliminating unrealized profits and losses resulting from transactions between the Company and its associated to the extent of its share, through its profit and loss account to the extent such change is attributable to the associated' profit and loss account and through its reserves for the balance, based on available information.
  - g) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
2. Investment other than in subsidiaries and associates has been accounted as per Accounting Standard (AS-13) on "Accounting for Investments".
3. Other significant accounting policies:-  
These are set out under "Significant Accounting Policies" as given in the Unconsolidated Financial Statements of Venus Remedies Limited and its subsidiary.



## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the period ending 31st March, 2015

### Note : 1 Share Capital

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	<b>Authorized Share Capital</b>		
	15000000 Equity Shares of ₹ 10/- each. (Previous Year 15000000 Equity Shares of ₹10/- each)	1500.00	1500.00
		<b>1500.00</b>	<b>1500.00</b>
2	<b>Issued, Subscribed &amp; Paid UP Capital</b>		
	11441988 Equity Shares of ₹10/- each, Fully paid up (Previous year 11441988 Equity Shares of 10/- each)	1144.20	1144.20
	<b>Total</b>	<b>1144.20</b>	<b>1144.20</b>

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

Sr. No.	Particulars	31.03.2015 (%)	31.03.2014 (%)
1	Sunev Pharma Solutions Limited	2300000 (20.10%)	2900000(25.34%)
2	Rel Utility Engineers Ltd formally known (Sonata Investments Limited)	438260 (3.83%)	1195995(10.45%)
3	Pawan Chaudhary	680000 (5.94%)	1133902 (9.91%)
4	Manu Chaudhary	750000 (6.55%)	971000 (8.48%)

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

Sr. No.	Particulars	31.03.2015 No. of Shares	31.03.2014 No. of Shares
1	Equity Shares at the beginning of the year	11441988	10541988
2	Add: Shares issued during the year	-	900000
	Equity Shares at the end of the year	11441988	11441988

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the period ending 31st March, 2015

### Note : 2 Reserve & Surplus

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
<b>1</b>	<b>Securities Premium</b>		
	As per last Balance Sheet	6851.15	5031.35
	Add: Securities Premium collected on share issue	-	1819.80
	<b>Total A</b>	<b>6851.15</b>	<b>6851.15</b>
<b>2</b>	<b>General Reserve</b>		
	As per last Balance Sheet	24020.14	21029.77
	Add: Addition during the year	-	3000.00
	Add : Mat Credit for Previous Years	(375.21)	(9.63)
	Less : Assets W/Off	(197.61)	-
	<b>Total B</b>	<b>23447.32</b>	<b>24020.14</b>
<b>3</b>	<b>Foreign Exchange Translation Reserve</b>		
	As per Last Balance Sheet	515.04	119.24
	Add: During the year	(435.58)	395.80
	<b>Total</b>	<b>79.47</b>	<b>515.04</b>
<b>4</b>	<b>Surplus (Profit &amp; Loss Account)</b>		
	As per last Balance Sheet	13630.21	10200.53
	Add: Profit for the period	516.07	6429.68
	Less: Appropriations		
	Less: Transfer to General Reserve	-	3000.00
	<b>Total C</b>	<b>14146.29</b>	<b>13630.21</b>
	<b>Total (A+B+C)</b>	<b>44524.22</b>	<b>45016.55</b>

### Note : 3 Long Term Borrowings

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
<b>1</b>	<b>Term Loans</b>		
	Secured by first charge on Fixed Assets & second charge on current assets of the company & personal guarantee of the directors	15090.32	11466.17
<b>2</b>	<b>Long Term Maturities of Vehicle loan obligation</b>		
		5.05	10.04
	<b>Total</b>	<b>15095.36</b>	<b>11476.21</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the period ending 31st March, 2015

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

1-2 Years	2-3 Years	3-4 Years
2051.00	2181.00	2669.00

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

1-2 Years	2-3 Years
2.70	1.80

### B. Unsecured Loans (₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Bonds Foreign Currency Convertible Bonds (4595833 Bonds convertible at ₹ 364 per Equity share outstanding including premium of ₹ 354 per share)	-	2522.19
2	Loan from Promoters	1765.12	-
	<b>Total</b>	<b>1765.12</b>	<b>2522.19</b>

### Note : 4 Deferred Tax Liability (net) (₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Deferred Tax Liability	1477.82	1778.53
	<b>Total</b>	<b>1477.82</b>	<b>1778.53</b>

### Note : 5 Other Long Term Liabilities (₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Security Retained from Staff	18.73	18.08
2	Security Retained from Contractors	36.55	34.87
3	Security in lieu of C Form	8.90	9.04
4	Security from Stockist	4.91	4.91
	<b>Total</b>	<b>69.09</b>	<b>66.90</b>

### Note : 6 Long Term Provisions (₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Provision For Employees Benefit		
	Provision for Gratuity	223.38	194.70
	Provision for Leave Encasement	155.01	136.70
	<b>Total</b>	<b>378.39</b>	<b>331.39</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the period ending 31st March, 2015

### Note: 7 Short Term Borrowings (Secured Loans)

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	<b>Working Capital Loan from Bank</b> Secured by first charge on current assets of the company & second charge on fixed assets & further secured by personal Guarantee of Directors	11539.90	11007.67
	<b>Total</b>	<b>11539.90</b>	<b>11007.67</b>

### Note : 8 Trade Payables

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Micro, Small and Medium Enterprises	63.40	86.66
2	Others	2892.90	3035.63
	<b>Total</b>	<b>2956.30</b>	<b>3122.29</b>

### Note: 9 Other Current Liabilities

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Current Maturities of Long Term debts	304.73	3854.19
2	Current Maturities of Vehicle Loan Obligation	3.38	4.04
3	Current Maturities of FCCB	3368.94	-
4	Advance From Customers	78.10	178.11
5	Creditors for Capital Expenditure	122.04	154.12
6	Unclaimed Dividends	45.56	54.04
7	Creditor For Expenses	112.91	159.96
8	Other Payable	929.25	1065.83
	<b>Total</b>	<b>4964.93</b>	<b>5470.31</b>

### Note : 10 Short Term Provisions

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
	<b>Others</b>		
1	Provision for Taxation	40.72	1377.78
2	Provision for Gratuity	41.76	35.38
3	Provision for Leave Encashment	13.34	12.40
4	Provision for MIT	84.95	67.08
5	Provision for Excise Duty on Finished Goods	10.00	6.28
	<b>Total</b>	<b>190.77</b>	<b>1498.93</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the period ending 31st March, 2015

### Schedule : 11 Fixed Asset – Parent Company

(₹ in Lacs)

Sr. No.	Particulars	Useful Life	Gross Block				Depreciation				Net Block	
			Value at the	Addition during the beginning	Deduction during the year	Value at the end year	Value at the beginning	Addition during the year	Exhausted Assets transferred to General Reserve	Value at the end	WDV 31.03.15	WDV 31.03.14
I	<b>Tangible Assets</b>											
1	Land		922.94	-	-	922.94	-	-	-	-	922.94	922.94
2	Building	30	4451.20	16.58	-	4467.77	875.94	155.13	-	1031.07	3436.70	3575.26
3	Building for R & D	30	1291.02	8.78	-	1299.80	284.41	45.23	-	329.64	970.16	1006.61
4	Plant & Machinery	20	7829.42	544.57	-	8373.98	1876.10	441.61	1.24	2318.94	6055.04	5953.32
5	R & D Pilot Plant	20	955.85	167.28	-	1123.13	186.05	53.93	-	239.98	883.15	769.80
6	R & D Equipment	15	3550.74	627.85	-	4178.59	832.69	317.48	-	1150.18	3028.41	2718.05
7	Computer, I.T and Communication Equipment	3 & 6	2124.15	274.57	-	2398.72	1253.73	378.63	146.65	1779.01	619.71	870.42
8	D G Set	10	215.06	0.21	-	215.27	124.33	16.67	-	141.00	74.27	90.73
9	Electrical Installation	10	788.67	38.00	-	826.67	180.02	162.25	2.76	345.03	481.64	608.65
10	Furniture & Fixture	10	593.71	31.77	-	625.48	193.71	101.59	1.99	297.29	328.19	400.00
11	Lab Equipment	10	1894.31	458.74	-	2353.05	354.06	275.57	0.69	630.32	1,722.73	1540.25
12	Misc. Fixed Assets	15	607.49	12.86	-	620.34	131.07	44.82	4.49	180.39	439.95	476.41
13	Office Equipment/ Security Equipment	5	388.12	41.77	-	429.89	104.09	116.42	58.76	279.27	150.62	284.03
14	Pollution Control	15	491.17	17.83	-	509.00	75.98	27.43	0.00	103.41	405.60	415.19
15	Vehicles	8	472.95	-	-	472.95	288.71	73.12	30.45	392.28	80.68	184.25
	<b>TOTAL</b>		<b>26576.79</b>	<b>2240.80</b>	<b>-</b>	<b>28817.59</b>	<b>6760.89</b>	<b>2,209.87</b>	<b>247.04</b>	<b>9217.80</b>	<b>19599.79</b>	<b>19815.90</b>
	<b>(PREVIOUS YEAR)</b>		<b>23708.95</b>	<b>2872.37</b>	<b>4.52</b>	<b>26576.80</b>	<b>5379.51</b>	<b>1381.38</b>	<b>-</b>	<b>6760.89</b>	<b>19815.91</b>	<b>18329.44</b>
II	<b>Capital Work-in-progress</b>											
1	Building Under Construction		5656.13								6537.87	5656.13
2	Plant & Machinery		313.44								290.41	313.44
3	Electrical		16.23								15.20	16.23
4	R & D Block		170.53								185.23	170.53
	<b>TOTAL</b>		<b>6156.33</b>								<b>7028.71</b>	<b>6156.33</b>
	<b>(PREVIOUS YEAR)</b>		<b>4366.92</b>								<b>6156.33</b>	<b>4366.92</b>
III	<b>Intangible Assets</b>											
1	Patent IPR Technologies	12	19233.46	2589.40	-	21822.86	4899.21	1502.53	-	6401.74	15421.12	14334.25
2	Product & Process Development	12	9750.58	859.13	-	10609.70	2291.71	761.68	-	3053.39	7556.31	7458.86
	<b>TOTAL</b>		<b>28984.03</b>	<b>3448.52</b>	<b>-</b>	<b>32432.56</b>	<b>7190.92</b>	<b>2,264.21</b>	<b>-</b>	<b>9455.13</b>	<b>22977.43</b>	<b>21793.11</b>
	<b>(PREVIOUS YEAR)</b>		<b>24473.95</b>	<b>4510.09</b>	<b>-</b>	<b>28984.03</b>	<b>4711.40</b>	<b>2479.52</b>	<b>-</b>	<b>7190.92</b>	<b>21793.11</b>	<b>19762.55</b>
IV	<b>Intangible Assets Under Development</b>		623.59								800.91	623.59
	<b>TOTAL</b>		<b>623.59</b>								<b>800.91</b>	<b>623.59</b>
	<b>(PREVIOUS YEAR)</b>		<b>413.62</b>								<b>623.59</b>	<b>413.62</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the period ending 31st March, 2015

### Note : 11 Fixed Asset – Subsidiary Company

(₹ in Lacs)

Sr. No.	Particulars	Useful Life	Value at the	Gross Block		Value at the end year	Value at the beginning	Depreciation		Value at the end	Net Block	
				Addition during the beginning	Deduction during the year			Addition during the year	Exhausted Assets transferred to General Reserve		WDV 31.03.15	WDV 31.03.14
I	<b>Tangibles</b>											
1	Land	-	188.94	-	-	188.94	-	-	-	-	188.94	231.10
2	Building	33	1791.71	-	-	1791.71	447.93	53.75	-	501.68	1290.04	1643.68
3	Building Premises	10	38.08	-	-	38.08	29.90	3.81	-	33.71	4.37	10.00
4	Out Door Facilities	15	118.45	-	-	118.45	43.29	7.90	-	51.19	67.27	91.94
5	Plant & Machinery	13	149.20	-	-	149.20	95.42	11.48	-	106.90	42.30	65.78
6	Plant & Equipment – I	3	8.60	0.54	-	9.14	8.52	0.19	-	8.72	0.42	0.09
7	Plant & Equipment – II	10	50.59	-	-	50.59	6.19	5.04	-	11.23	39.36	54.31
8	Plant & Equipment – III	5	1.33	-	-	1.33	0.98	-	-	0.98	0.34	0.42
9	Plant & Equipment – IV	8	8.57	-	-	8.57	6.85	1.07	-	7.92	0.65	2.10
10	Plant & Equipment – V	6	5.02	1.62	-	6.64	3.06	0.90	-	3.97	2.67	2.40
11	Plant & Equipment – VI	7	3.33	-	-	3.33	0.19	0.48	-	0.66	2.66	3.84
12	Warehouse Equipment – I	11	0.62	-	-	0.62	0.45	0.06	-	0.51	0.12	0.21
13	Warehouse Equipment – II	15	15.85	-	-	15.85	7.90	1.06	-	8.96	6.89	9.73
14	Computer	3	2.63	-	-	2.63	2.45	0.12	-	2.57	0.06	0.22
15	Computer	2	0.00	0.13	-	0.13	-	0.01	-	0.01	0.12	-
16	Miscellaneous Fixed Assets	5	7.08	1.00	-	8.08	7.11	0.37	-	7.47	0.61	-
17	Office Equipment / F & F	10	7.83	-	-	7.83	6.16	0.78	-	6.94	0.89	2.04
18	CAR	2	6.08	-	-	6.08	5.40	0.00	-	5.40	0.68	0.83
19	Vehicle	5	10.61	-	-	10.61	0.69	2.12	-	2.81	7.80	12.14
	<b>SUB TOTAL (A)</b>		<b>2414.52</b>	<b>3.29</b>	<b>-</b>	<b>2417.82</b>	<b>672.49</b>	<b>89.13</b>	<b>-</b>	<b>761.62</b>	<b>1656.20</b>	<b>2130.83</b>
II	<b>Intangibles</b>											
1	Intellectual Property Rights	5	336.04	-	-	336.04	168.26	36.48	-	204.74	131.29	205.72
	<b>SUB TOTAL (B)</b>		<b>336.04</b>	<b>-</b>	<b>-</b>	<b>336.04</b>	<b>168.26</b>	<b>36.48</b>	<b>-</b>	<b>204.74</b>	<b>131.29</b>	<b>205.72</b>
	<b>TOTAL (A + B)</b>		<b>2750.56</b>	<b>3.29</b>	<b>-</b>	<b>2753.85</b>	<b>840.75</b>	<b>125.61</b>	<b>-</b>	<b>966.36</b>	<b>1787.50</b>	<b>2336.56</b>
	<b>(Previous Year)</b>		<b>3269.76</b>	<b>94.64</b>	<b>-</b>	<b>3364.39</b>	<b>867.07</b>	<b>160.77</b>	<b>-</b>	<b>1027.85</b>	<b>2336.55</b>	<b>2050.39</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the period ending 31st March, 2015

### Note : 12 Long Term Loans and Advances (Unsecured, Considered good)

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Security Deposit	46.06	44.44
2	Other Loans & Advances		
	Mat Credit	5119.25	5453.74
	<b>Total</b>	<b>5165.31</b>	<b>5498.18</b>

### Note: 13 Inventories

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Raw Material	9156.15	8621.75
2	Work-in-Progress	2545.54	2947.84
3	Finished Goods	2482.95	2570.53
4	Consumables	7.90	8.05
5	Stores & Spares	5.21	6.93
6	Printing & Stationary	3.85	3.38
7	<b>Goods-in-transit</b>		
	a) Raw Material	69.55	53.69
	b) Packing Material	15.40	13.39
	<b>Total</b>	<b>14286.54</b>	<b>14225.56</b>

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

### Note : 14 Trade Receivables (Unsecured, Considered good)

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Outstanding for more than six months	79.76	66.65
2	Others	6241.74	6431.94
	<b>Total</b>	<b>6321.50</b>	<b>6498.58</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.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the period ending 31st March, 2015

### Note : 15 Cash & Cash Equivalents

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	<b>Cash-in-Hand</b>		
	Cash Balance	4.94	6.53
	Foreign Exchange in Hand	1.19	1.10
	<b>Sub Total (A)</b>	<b>6.13</b>	<b>7.63</b>
2	<b>Bank Balance</b>		
	In current Accounts	72.73	65.34
	<b>Sub Total (B)</b>	<b>72.73</b>	<b>65.34</b>
3	<b>Fixed Deposits</b>		
	Fixed Deposit being Margin Money	282.65	367.74
	<b>Sub Total (C)</b>	<b>282.65</b>	<b>367.74</b>
	<b>Total [A + B + C]</b>	<b>361.51</b>	<b>440.71</b>

15.1 Balance with Banks includes Unclaimed Dividend of ₹ 45.56 Lacs (Previous Year ₹ 54.04 Lacs)

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

15.3 An amount of ₹ 282.65 Lacs (Previous Year ₹ 367.74 Lacs) is held with Banks as margin money for Bank Guarantees/ Letter of Credit.

### Note : 16 Short Terms Loans and Advances

(Unsecured, Considered Good)

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Balance with Revenue Authorities under Indirect Taxes	76.14	87.43
2	Loan to Staff	45.90	63.06
3	Other Loans & Advances (Advance Recoverable in cash or in kind or for value to be considered good)	5654.88	5896.15
	<b>Total</b>	<b>5776.92</b>	<b>6046.65</b>

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

### Note : 17 Revenue from Operations

(Rs. in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Sale of products	46252.11	53504.51
2	Income from research activities	160.06	213.22
3	Other Operating Revenue	52.92	202.48
4	Exchange Fluctuation	-	320.88
	<b>Total</b>	<b>46465.08</b>	<b>54241.08</b>
	Less : Excise duty	66.02	85.38
	<b>Total</b>	<b>46399.07</b>	<b>54155.70</b>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the period ending 31st March, 2015

**Note : 18 Other Income**

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Bank Interest	26.06	24.57
2	Misc. Income (Recovery & Income)	22.44	9.23
3	Insurance Claim Received	3.56	2.11
4	Income from Sales of Scrap	7.59	11.28
5	Income from Sale of Assets	8.39	-
	<b>Total</b>	<b>68.03</b>	<b>47.20</b>

**Note : 19 Cost of Material Consumed**

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
	<b>Opening Stock</b>		
	- Raw Material	8621.75	7144.02
	Add : Purchases	26973.30	31605.88
	<b>Total</b>	<b>35595.05</b>	<b>38749.90</b>
	Less : Closing Stock	9156.15	8621.75
	<b>Total</b>	<b>26438.90</b>	<b>30128.15</b>

**Note : 20 Change in Inventories**

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	<b>Opening Stock</b>		
	- Finished Goods	2563.24	2811.31
	- Work In Progress	2947.84	2573.15
	<b>Total A</b>	<b>5511.08</b>	<b>5384.46</b>
2	<b>Closing Stock</b>		
	- Finished Goods	2510.04	2564.22
	- Work in progress	2545.54	2947.84
	<b>Total B</b>	<b>5055.59</b>	<b>5512.06</b>
	<b>Change in Inventories A – B</b>	<b>455.49</b>	<b>(127.60)</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the period ending 31st March, 2015

### Note : 21 Employee Benefit Expenses

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Salaries & Wages	2905.37	2730.19
2	Contribution to Provident Fund and other funds	260.66	137.62
3	Staff Welfare Expenses	70.19	176.75
	<b>Total</b>	<b>3,236.22</b>	<b>3,044.56</b>

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

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	<b>Gratuity</b>		
	Fair Value of Plan Assets		
	Present value of obligation	265.14	230.08
	Amount recognised in balance Sheet	265.14	230.08
2	<b>Leave Encashment</b>		
	Fair Value of Plan Assets		
	Present value of obligation	168.35	149.09
	Amount recognised in balance Sheet	168.35	149.09

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the period ending 31st March, 2015

As per Accounting Standard 15 "Employee Benefits", the disclosures as defined in the Accounting Standard are given below:  
The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognised each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

### 21.2 Expenses recognised during the year (₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	<b>Gratuity</b>		
	Current Service Cost	40.94	39.13
	Interest Cost	18.41	17.30
	Net Actuarial (gain)/loss recognised in the period	(11.09)	(6.49)
	Expense recognised in the P&L Statement	48.26	49.94
2	<b>Leave Encashment</b>		
	Current Service Cost	65.73	52.18
	Interest Cost	11.93	11.35
	Net Actuarial (gain)/loss recognised in the period	(41.11)	(30.52)
	Expense recognised in the P&L Statement	36.54	33.01

### Note : 22 Financial Cost (₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Interest Expenses	3155.56	2500.75
2	Exchange Fluctuation	583.04	162.88
3	Other Borrowing Cost	382.76	276.78
	<b>Total</b>	<b>4121.36</b>	<b>2940.40</b>

### Note: 23 Depreciation & Amortised Cost (₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Depreciation	2298.99	1487.75
2	Amortisation of Intangible Assets	2300.69	2533.92
	<b>Total</b>	<b>4599.69</b>	<b>4021.67</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the period ending 31st March, 2015

### Note : 24 Other Expenses

#### A. Manufacturing Expenses

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Power & Fuel	379.73	338.04
2	Consumables	180.22	172.63
3	Repair & Maintenance		
	- Building	26.72	29.38
	- Electrical	7.51	10.57
	- Plant & Machinery	61.03	75.74
	- Lab	7.96	10.60
4	Other Manufacturing Expenses	151.33	161.73
	<b>Total</b>	<b>814.49</b>	<b>798.69</b>

#### B. Administration Expenses

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Rent	7.56	6.87
2	Rates, Fee & Taxes	21.67	22.64
3	Insurance	45.57	36.17
4	Legal and Professional Expenses	99.89	99.92
5	Postage, Telex & Telegram	3.84	3.85
6	Printing & Stationery	27.79	31.73
7	Telephone Expenses	31.84	36.32
8	Traveling & Conveyance:		
	- Staff	42.88	40.48
	- Directors	14.58	9.16
	- Others	4.41	4.79
9	Running, Repair & Maintenance :		
	- Vehicles	86.02	83.87
	- Computer	10.38	11.93
	- Others	9.64	13.08
10	Auditors' Fees	18.25	19.36
11	Directors Remuneration	192.10	177.79
12	Other Administrative Expenses	187.83	105.14
13	Other Corporate Expenses	122.73	165.43
	<b>Total</b>	<b>926.96</b>	<b>868.52</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the period ending 31st March, 2015

### C. Selling and Distribution Expenses

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Discount / Commission	872.58	1063.43
2	Other Selling Expenses	1025.43	964.40
3	Advertisement & Sales Promotion	1601.43	1073.17
4	Sample Distribution	116.43	76.09
5	Incentive to Field Force	59.09	88.34
6	Traveling and conveyance Field Staff (Incl. Hotel)	725.91	689.49
	<b>Total</b>	<b>4400.88</b>	<b>3954.93</b>

### D. Research and Development Expenses

Sr. No.	Particulars	31.03.2015	31.03.2014
1	Remuneration of R & D Staff	457.06	442.82
2	R & D Expenses	231.58	441.99
3	Material used for Development of new products	425.73	655.79
4	R & D Consumables	93.93	125.06
	<b>Total</b>	<b>1208.31</b>	<b>1665.67</b>
	<b>GRAND TOTAL</b>	<b>7350.65</b>	<b>7287.80</b>

### 25. Auditor's Remuneration

Sr. No	Particulars	Current Year	Previous Year
1	Statutory Audit Fees	9.26	8.90
2	Tax Audit Fees	1.57	1.51
	Add : Service Tax	1.33	1.29
	<b>Total</b>	<b>12.16</b>	<b>11.70</b>

### 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:

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

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the period ending 31st March, 2015

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

Related Party Relation ship	Associates	Key Managerial Personnel	Current Year	Previous Year
Allotment of Share capital (Including Premium)	-	-	-	1909.80
Sales & Others	31.23	-	31.23	31.99
Purchases and Others	356.23	-	356.23	870.88
Remuneration to Directors/KMP	-	192.09	192.09	177.79
Advance Paid / (Recovered) for in licensing of Technology	(1567.20)	-	(1567.20)	1170.00

(iii) Remittance in foreign currency on account of dividend (₹ in Lacs)

Particulars	Current Year	Previous Year
Number of Non Residents Share Holders	Nil	Nil
Number of Equity Shares held by them	Nil	Nil
(i) Amount of dividend paid	Nil	Nil
(ii) Tax Deducted at Source	Nil	Nil
(iii) Year to which the dividend relates	2014-15	2013-14

27. The Parent company operates only in one business segment viz. "Pharmaceutical Formulation" and is engaged in manufacturing and trading of medicines. Since in the opinion of management, the inherent nature of activities engaged by the company are governed by the same set of risks and rewards, so these have been grouped and identified as a single segment in accordance with the Accounting Standard on Segment Reporting (AS-17) issued by ICAI.
28. In the opinion of the board, and to the best of their knowledge and belief, the value on realization of the current assets, loans & advance shown in the Balance Sheet in the ordinary course of business will be at least equal to the amount at which they are stated in the Balance Sheet and provision for all known and determined liabilities has been made.
29. The wholly Owned Subsidiary "Venus Pharma GmbH" was operated at Werne, 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).
30. 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.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the period ending 31st March, 2015

### 31. CONTINGENT LIABILITIES:

(Not provided for in the books of accounts)

(In the books of Parent Company)

(Rs. in Lacs)

Particulars	Current Year	Previous Year
<b>Contingent Liabilities</b>		
a) Letter of Credit / Bank Guarantees – Inland	222.98	81.43
b) Bank Guarantees foreign	1.25	24.70
c) Letter of credit – Foreign	126.00	379.48
d) Interest on FCCB's	-	84.07
e) Tax demand pending in appeal	208.03	140.11

There is no liability in the books of Subsidiary Company.

32. During the year, both the parent & subsidiary company has undertaken a review of all fixed assets in line with the requirements of AS-28 on "Impairment of Assets" issued by the Institute of Chartered Accountants of India. Based on such review, no provision for impairment is required to be recognized for the year.
33. During the year the Parent Company has changed the depreciation policy from straight line method to Useful Life method of depreciation as prescribed in Schedule II of the Companies Act, 2013. Due to this change in the method of depreciation, the reported amount of depreciation is lower by ₹ 10.87 lacs. However depreciation on fixed assets whose useful life is already exhausted as on 01.04.2014 amounting to ₹ 247.04 lacs has been debited to General Reserve Account. The corresponding Deferred Tax Liability on such fixed assets amounting to ₹ 49.43 lacs has also been reserved and credited to General Reserve Account.
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.
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.
36. The parent company has changed the policy to amortize the patent and trademarks over the period of 12 years from 10 years, as the estimated normal usefull life of the patent is 12 years, whereas the Intangible assets of Venus Gmbh (wholly owned subsidiary) has been written off over a period of 5 years.

37. During the year, the Company's proposal for restructuring of its debts was approved by Corporate Debt Restructuring Cell (CDR Cell) on 25.11.2014 and communicated vide its Letter of Approval (LOA) dated December 17, 2014.
- Lenders with the approval of CDR EG shall have the right to recompense the reliefs/ sacrifices/waivers extended by respective CDR Lenders as per the CDR guidelines. The recompense payable is contingent on various factors including improved performance of the Company and many other conditions, the outcome of which is currently materially uncertain. Tentative recompense amount comes to ₹. 12.47 crores in 2014-15.
38. As per the provisions of FCCB agreement, the FCCB was to be converted into equity shares by 01-02-2015. However, the bond holder have not exercise their option to convert the bonds into equity shares. Therefore, the company has made the provision of interest amount in the books of accounts.

Auditors' Reports in terms of our separate report of even date annexed here to :

**For J. K. Jain & Associates**  
Chartered Accountant  
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 : 30.05.2015

**(Neha Kodan)**  
Company Secretary

**(Ajeet Kapoor)**  
GM Accounts



# CORPORATE INFORMATION

## Board of Directors

Mr. Pawan Chaudhary, Chairman & Managing Director  
Dr. (Mrs.) Manu Chaudhary, Joint Managing Director  
Mr. Peeyush Jain, Dy. Managing Director  
Mr. Ashutosh Jain, Executive Director  
Dr. Gilbert Wenzel, Non-Executive Director  
Dr. S. K. Chadha, Non-Executive Director  
Mr. Jagdish Chander, Non-Executive Director  
Dr. Rupinder Tiwari, 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](http://www.venusremedies.com)  
[info@venusremedies.com](mailto: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](http://www.venuspharma.de)

## Board Committees

Audit Committee  
Stakeholder Relationship Committee  
Nomination & Remuneration Committee  
Executive Committee of Board of Directors  
Risk Management Committee  
CSR Committee

## Executive Committees

Value-Addition Committees  
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](mailto:delhi@linkintime.co.in)

## Visit us at

[www.venusremedies.com](http://www.venusremedies.com)  
[www.vmrindia.com](http://www.vmrindia.com)  
[www.venuspharma.de](http://www.venuspharma.de)

VENUS REMEDIES LIMITED  
51-52, INDUSTRIAL AREA, PHASE-1,  
PANCHKULA (HARYANA) - 134 113  
CIN: L24232CH1989PLC009705  
[www.venusremedies.com](http://www.venusremedies.com)

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Depression

Fatigue

Constipation



Sleeplessness

High Cholesterol

High BP

Mouth Ulcers

Acne

Diabetes

Anxiety

Infertility

Just a reminder

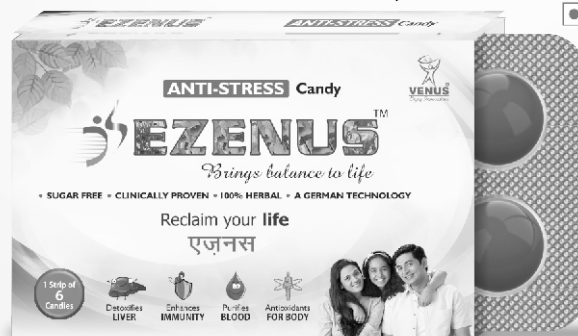
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## FORM A

Format of covering letter of Annual Report to be filed with the Stock Exchange

1. Name of the Company Venus Remedies Limited

2. Annual financial statements for the year ended 31<sup>st</sup> March, 2015

3. Type of Audit Observation Unqualified

4. Frequency of observation Not applicable

5. To be signed by:

• CEO/ Managing Director

• Company Secretary

• GM Accounts

• Auditor of the Company

• Audit Committee Chairman

## VENUS REMEDIES LIMITED

Corporate Office :

S1-S2, Industrial Area, Phase-I,  
Panchkula (Hry.) 134113, India

Regd. Office :

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

Website : [www.venusremedies.com](http://www.venusremedies.com)

[www.venusmedicinesearchcentre.com](http://www.venusmedicinesearchcentre.com)

email : [info@venusremedies.com](mailto:info@venusremedies.com)

CIN No. : L24232CH1989PLC009705



Unit-I :

S1-S2, Industrial Area, Phase-I, Panchkula (Hry.) 134113, India

Tel. : +91-172-3933094, 3933090, 2565577. Fax : +91-172-2565566

Unit-II :

Hill Top Industrial Estate, Jharmajra EPIP, Phase-I (Extern.)

Bhazoli Kalan, Baddi (H.P.) 173205, India

Tel. : +91-1795-302100, 302101, 302107, Fax : +91-1795-271277

Unit-V :

VENUS PHARMA GmbH

Am Bahnhof 1-3, D-59368, Werne, Germany



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