



VRL/SEC/EXCHANGE

28.05.2016

<b>National Stock Exchange of India Ltd.</b> 5 <sup>th</sup> Floor, Exchange Plaza Bandra (E), Mumbai- 400 051	<b>Dept. of Corporate Services</b> The Stock Exchange, Mumbai 25 <sup>th</sup> Floor, Phiroze Jeejeebhoy Towers Dalal Street Mumbai
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**Sub: Submission of Audited Financial results as on 31.03.2016**

Dear Sir/Madam,

Please find enclosed herewith:

1. Audited financial results for the quarter ended on 31.03.2016;
2. Audited financial results for the year ended on 31.03.2016;
3. Auditors report;
4. Form B.

which were taken on record by the Board of Directors at its meeting held on 28.05.2016

Kindly acknowledge the receipt.

Thanking you.

**Yours faithfully,**  
**for VENUS REMEDIES LIMITED.**

  
**Neha Kodan**  
(Company Secretary)

## VENUS REMEDIES LIMITED

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

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

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


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

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

**AUDITED FINANCIAL RESULTS**  
**FOR THE QUARTER AND YEAR ENDED 31st March, 2016**

(Rs. In Millions)


S. No.	PARTICULARS	Standalone Quarter Ended		Standalone Year Ended		Consolidated Year Ended		
		31/03/2016	31/12/2015	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
		Audited	Unaudited	Audited	Audited	Audited	Audited	Audited
1	<b>Net Sales/ Income from operations</b>							
	(a) Net Sales ( Net of Excise Duty)	1009.23	966.76	983.92	3,969.84	4497.45	4,125.57	4,618.67
	(b) Other Operating Income	(15.01)	17.41	4.89	57.11	21.31	57.11	21.30
	<b>Total Income from Operation ( Net )</b>	<b>994.22</b>	<b>984.17</b>	<b>988.81</b>	<b>4,026.95</b>	<b>4,518.75</b>	<b>4,182.68</b>	<b>4,639.97</b>
2	<b>Expenses</b>							
	(a) Consumption of raw materials	571.31	604.02	635.72	2,419.98	2,643.89	2,420.36	2,643.89
	(b) (Increase)/ Decrease in stock in trade	(8.90)	(10.73)	(22.63)	(21.66)	65.28	(35.33)	45.55
	(c) Employee benefits expense	74.13	52.88	72.09	250.24	272.55	324.41	323.62
	(d) Depreciation & amortisation expense	102.3	101.72	170.82	404.68	447.41	416.81	459.97
	(e) Other expenses	137.58	157.88	185.13	582.84	667.70	661.64	735.06
	<b>Total expense</b>	<b>876.42</b>	<b>905.77</b>	<b>1,041.13</b>	<b>3,636.08</b>	<b>4,096.83</b>	<b>3,787.89</b>	<b>4,208.09</b>
3	<b>Profit from operations before other income, finance costs and exceptional items ( 1-2)</b>	<b>117.8</b>	<b>78.40</b>	<b>(52.32)</b>	<b>390.87</b>	<b>421.92</b>	<b>394.79</b>	<b>431.87</b>
	<b>EBIDTA ( 3+2(d))</b>	<b>220.10</b>	<b>180.12</b>	<b>118.50</b>	<b>795.55</b>	<b>869.33</b>	<b>811.60</b>	<b>891.79</b>
4	Other income	3.66	0.76	2.18	6.65	5.46	20.08	6.80
5	<b>Profit before finance costs and exceptional items ( 3+4)</b>	<b>121.46</b>	<b>79.16</b>	<b>(50.14)</b>	<b>397.52</b>	<b>427.38</b>	<b>414.87</b>	<b>438.62</b>
6	Finance Costs	106.88	81.70	156.46	367.40	407.03	379.80	412.14
7	<b>Profit after finance costs but before exceptional items ( 5-6)</b>	<b>14.58</b>	<b>(2.54)</b>	<b>(206.60)</b>	<b>30.12</b>	<b>20.35</b>	<b>35.07</b>	<b>26.48</b>
8	Exceptional items	0	0.00	00.00	00.00	00.00	00.00	00.00
9	<b>Profit from ordinary activities before tax ( 7+8)</b>	<b>14.58</b>	<b>(2.54)</b>	<b>(206.60)</b>	<b>30.12</b>	<b>20.35</b>	<b>35.07</b>	<b>26.48</b>
10	Tax expense	18.08	0.00	00.00	18.08	25.13	18.08	25.13
11	<b>Profit from ordinary activities after tax (9-10)</b>	<b>(3.50)</b>	<b>(2.54)</b>	<b>(206.60)</b>	<b>12.04</b>	<b>45.48</b>	<b>16.99</b>	<b>51.61</b>
12	Exceptional items ( net of tax expense)	0	00.00	00.00	0.00	0.00	0.00	0.00
13	<b>Net profit for the period ( 11-12)</b>	<b>(3.50)</b>	<b>(2.54)</b>	<b>(206.60)</b>	<b>12.04</b>	<b>45.48</b>	<b>16.99</b>	<b>51.61</b>
14	Paid up Equity Share Capital	114.42	114.42	114.42	114.42	114.42	114.42	114.42
15	Reserves excluding revaluation reserves	N.A.	N.A.	N.A.	4,329.87	4,547.93	4,261.82	4,452.42
16	F.P.S. - Basic not annualised for the qtr	2.85	(0.22)	(18.06)	1.05	3.97	1.49	4.52
	- Annualised	2.85	(0.89)	(72.23)	1.05	3.97	1.49	4.52

For VENUS INDUSTRIES LIMITED  
  
 CHAIRMAN  
 DIN - 00435502

Standalone / Consolidated Statement of Assets and Liabilities

(Rs. In Millions)

Particulars	Standalone Year Ended on		Consolidated Year Ended on	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
<b>A EQUITY AND LIABILITIES</b>				
<b>1 Shareholders' funds</b>				
(a) Share capital	114.42	114.42	114.42	114.42
(b) Reserves and surplus	4329.87	4547.93	4261.82	4452.42
<b>Sub-total – Shareholders' funds</b>	4444.29	4662.35	4376.24	4566.84
<b>2 Non-current liabilities</b>				
(a) Long-term borrowings	1910.26	2022.49	1910.46	2022.94
(b) Deferred tax liabilities (net)	165.86	147.78	165.86	147.78
(c) Other long-term liabilities	6.34	6.91	6.34	6.91
(d) Long-term provisions	37.88	37.84	37.89	37.84
<b>Sub-total – Non-current liabilities</b>	2120.34	2215.02	2120.55	2215.47
<b>3 Current liabilities</b>				
(a) Short-term borrowings	1150.86	1153.99	1233.24	1153.99
(b) Trade payables	239.02	257.62	251.36	295.63
(c) Other current liabilities	366.34	139.94	427.08	159.6
(d) Short-term provisions	19.68	19.08	19.68	19.08
<b>Sub-total – Current liabilities</b>	1775.9	1570.63	1931.36	1628.3
<b>TOTAL – EQUITY AND LIABILITIES</b>	8340.53	8448.00	8428.15	8410.61
<b>B ASSETS</b>				
<b>1 Non-current assets</b>				
(a) Fixed assets	5138.92	5040.68	5328.48	5219.43
(b) Non-current investments	287.36	287.36	0	0
(c) Long-term loans and advances	328.98	859.11	328.98	859.11
<b>Sub-total – Non-current assets</b>	5755.26	6187.15	5657.46	6078.54
<b>2 Current assets</b>				
(a) Current investments				
(b) Inventories	1376.93	1404.37	1432.88	1428.65
(c) Trade receivables	538.85	593.7	615.89	532.15
(d) Cash and cash equivalents	30.44	35.21	70.71	36.15
(e) Short-term loans and advances	639.05	227.57	651.21	235.12
<b>Sub-total – Current assets</b>	2585.27	2260.85	2770.69	2332.07
<b>TOTAL – ASSETS</b>	8340.53	8448.00	8428.15	8410.61

For VENUS REMEDIES LIMITED  
  
 G. G. G. G. DIRECTOR  
 DIN - 00435503



**Notes:**

1. The above financial Results were reviewed by the Audit Committee and taken on record at the Board Meeting on May 28, 2016.
2. During the year there was decline in sales due to stiff competition in generic product markets, loss of tenders, depreciation of currency of emerging markets, dip in the sales in overseas markets etc.
3. The Company caters to only one segment i.e. "Pharmaceutical Formulations"
4. The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year.
5. Previous quarter/period's figures have been regrouped/rearranged wherever necessary.

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

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

DIN: 00435503

Date: 28.05.2016

**VENUS REMEDIES LIMITED**

**Corporate Office :**

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

**Regd. Office :**

SCO 857, Cabin No. 10, 2nd Floor, NAC, Manimajra,  
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# J. K. JAIN & ASSOCIATES

CHARTERED ACCOUNTANTS

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

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

E-mail : jkjcaps@rediffmail.com

## Independent Auditor's Report

To

The Members of

VENUS REMEDIES LIMITED

PANCHKULA

### Report on the Financial Statements

1. We have audited the accompanying standalone financial statements of M/s Venus Remedies Limited, which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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



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

### Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
  - b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
  - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Subject to the following:

- (i) The Company has gone for Debt Restructuring and the CDR Cell has approved its CDR package. The Company is repaying the debt as per the approved package, however the company could not serve the interest and principal (FITL) repayments amounting Rs. 270.94 lacs to financial institution, bank or debenture holders.

### Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
8. As required by section 143(3) of the Act, we further report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;



- c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the aforesaid standalone financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
- e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, 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



(Partner)

M. No. :083140

Place: Panchkula

Date: 28.05.2016

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 7 Our Report of even date to the members of Venus Remedies Limited on the accounts of the company for the year ended 31st March, 2016

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

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) As explained to us, fixed assets have been physically verified by the management once in a year, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.  
(c) The title deeds of immovable properties are held in the name of the company. However, company is paying rent for its Head Office & Guest House Building.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals and no material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a), iii (b), iii (c) of the order are not applicable to the Company.
4. In respect of loan, investments, guarantees & security, the company is complying with section 185 & 186 of companies act 2013 as applicable.
5. The Company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act, 2013.
6. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained but we have not carried out the examination of records.
7. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues for a period of more than six months from the date they became payable.  
(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes, except as mentioned in Note 41





to Notes on Financial Statements.

8. Based on our audit findings and on the information and explanations given to us by the management, we are of the opinion that, The Company has gone for Debt Restructuring and the CDR Cell has approved its CDR package. The Company is repaying the debt as per the approved package, however the company could not serve the interest and principal (FITL) repayments amounting Rs. 270.94 lacs to financial institution, bank or debenture holders.
9. Based on our audit procedures and on the information and explanations given to us given by the management, we report that no money by way of Further Public Offer & Term Loan has been taken during the year.
10. The company has neither committed any fraud nor any fraud on the company by its officers/employees has been noticed or reported during the year.
11. The company has paid Managerial Remuneration in excess of limits prescribed u/s 197 read with Schedule V of the Companies Act, 2013, however the company has applied to the Central Govt. for its approval in this regard.
12. The company is not a Nidhi company, so the provisions of the same are not applicable.
13. (i) The company has disclosed all the transactions with the related party as prescribed by section 188 of Companies Act 2013 in notes (Note no 38).  
  
(ii) As per section 177 of the Companies Act, 2013, company has constituted the audit committee as required by the applicable accounting standard.
14. The company has not made any preferential allotment or private placement of share or fully or partially convertible debentures during the year under review.
15. The company has not entered into any non cash transactions with Directors or persons connected with him and consequentially provisions of section 192 of Companies Act 2013 is not applicable.
16. The company is not required to be registered under section 45 IA of Reserve Bank India Act, 1934.

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

*Chartered Accountants*

FRN: 004025N



(J.K. JAIN)

(Partner)

M. No. :083140

**Place: Panchkula**

**Date: 28.05.2016**

**“Annexure B” to the independent Auditor’s Report of even date on the Financial Statements of M/s Venus Remedies Limited.**

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

**To the Members of Venus Remedies Limited**

We have audited the Internal financial controls over financial reporting of “M/s Venus Remedies Limited” (“the Company”) as at March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s Management is responsible for establishing and maintaining Internal financial controls based on the Internal control over financial reporting criteria established by the Company considering the essential components of Internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, Implementation and maintenance of adequate Internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s Internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal financial controls system over financial reporting and their operating effectiveness. Our audit of Internal controls over financial reporting included obtaining an understanding of Internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Internal Financial Controls System over financial reporting.



### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company's Internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate Internal financial controls system over financial reporting and such Internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the Internal control over financial reporting criteria established by the Company considering the essential components of Internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Panchkula  
Date : 28.05.2016

for J.K. JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS

J. K. JAIN  
J. K. JAIN  
(Partner)  
M. No. 083140





# J. K. JAIN & ASSOCIATES

CHARTERED ACCOUNTANTS

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

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

E-mail : jkjcaps@rediffmail.com

## Independent Auditor's Report

To

The Members of

**VENUS REMEDIES LIMITED**

**PANCHKULA**

### Report on the Financial Statements

1. We have audited the accompanying Consolidated financial statements of M/s Venus Remedies Ltd. and its wholly owned subsidiary, Venus Pharma GMBH which comprise the Consolidated Balance Sheet as at March 31, 2016, 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, 2016;
  - b) in the case of the Consolidated Statement of Profit and Loss, of the profit/ loss for the year ended on that date; and
  - c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Subject to the following:

- (i) The Company has gone for Debt Restructuring and the CDR Cell has approved its CDR package. The Company is repaying the debt as per the approved package, however the company could not serve the interest and principal (FITL) repayments amounting Rs. 270.94 lacs to financial institution, bank or debenture holders.

### Report on Other Legal and Regulatory Requirements

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



d) in our opinion, the Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;

For J.K. JAIN & ASSOCIATES  
Chartered Accountants

FRN: 004025N

*J.K. Jain*  
(J.K. JAIN)

Partner

M. No. : 083140



Place: Panchkula  
Date : 28.05.2016

Compliance under regulation 33 of SEBI (LODR) Regulations, 2015

FORM B

(for audit report with modified opinion)

- 1 Name of the Company Venus Remedies Limited
- 2 Annual financial statements for the 31<sup>st</sup> March, 2016 year ended
- 3 Type of Audit Observation Qualified
- 4 Frequency of Qualification First Time
- 5 Relevant notes in the annual financial statements and management response to the qualification in the directors report & comments from board on the same  
The company has applied to the Central Govt. for the requisite approvals for the managerial remuneration as per limit prescribed by the Companies Act, 2013.  
There is delay in making payments of interest on loans & principal (FITL) to banks.  
Refer notes no. 23 & 25B for above said points.
- 6 To be signed by

CEO/ Managing Director

For VENUS REMEDIES LIMITED  
*[Signature]*  
CHAIRMAN & MANAGING DIRECTOR

GM Accounts

*[Signature]*

Auditor of the Company  
For J.K. Jain & Associates  
Chartered Accountants  
(FRN: 004025N  
(J.K. Jain)  
(Partner)  
M. N. : 083110

*[Signature]*  
J.K. Jain  


Audit Committee  
Chairman

*[Signature]*  
J. K. Chaudhary