

29th September, 2018

The Bombay Stock Exchange Limited
Department of Corporate Services
Floor 25, PJ Towers,
Dalal Street
Mumbai - 400001

Scrip Code: 531015

Sub: Submission of Annual Report of the Company for the Financial Year 2017-18.

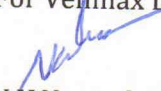
Dear Sir/Madam,

We are forwarding herewith a copy of Annual Report of the Company for the Financial Year 2017-18 as required under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements), 2015, duly approved and adopted by members in the 29th Annual General Meeting of the Company as per the provisions of Companies Act, 2013.

This is for your information and record

Thanking you

Yours faithfully
For Venmax Drugs and Pharmaceuticals Limited


N.V.Narender
Chairman

29th
ANNUAL REPORT
2017-2018



VENMAX
DRUGS AND PHARMACEUTICALS LTD
(Formerly YENKEY DRUGS AND PHARMACEUTICALS LTD)

VENMAX DRUGS AND PHARMACEUTICALS LIMITED

(Formerly YENKEY DRUGS AND PHARMACEUTICALS LTD)

Corporate Identity Number: L24230TG1988PLC009102

Registered Office : H.No.1-140, Rajeswari Ware House, Opposite to Sri Convention,
Kompally, Quthbullapur Hyderabad Rangareddy, Telangana- 500055.

Mobile : +91 9642439090, E-mail: venmaxdrugs@gmail.com | www.venmaxdrugs.com

CIN: L24230TG1988PLC009102

Board of Directors

Mr. N.V.Narender	:	Chairman and Executive Director [DIN:01641941]
Mr. Rajkumar Rai	:	Managing Director [DIN: 00009207] [w.e.f. 01.09.2018]
Mr. N.Krishnaiah	:	Non Executive Director [DIN:07279009]
Dr. A.Ramakrishnaiah	:	Independent Director [DIN: 01641977]
Ms. G.S.V.Divya Jyothi	:	Independent Director [DIN: 07240964]

Committees of the Board :

Audit Committee

Dr. A.Ramakrishnaiah	:	Chairman
Mr. N.V Narender	:	Member
Ms. G.S.V.Divya Jyothi	:	Member

Nomination and Remuneration Committee

Dr. A.Ramakrishnaiah	:	Chairman
Mr. N Krishnaiah	:	Member
Ms. G.S.V.Divya Jyothi	:	Member

Share Transfer & Investors' Grievance Committee

Ms. G.S.V.Divya Jyothi	:	Chairperson
Dr. A.Ramakrishnaiah	:	Member
Mr. N V Narender	:	Member

Statutory Auditors

G L N PRASAD & CO LLP

Chartered Accountants

2nd Floor, The Safe Legend, 6-3-1239/B/III,

Renuka Enclave, Near Railway Station,

Rajbhavan Road, Hyderabad

Telangana – 500082

Registrar & Share Transfer Agents

CIL Securities Limited

214, Raghav Ratna Towers

Chirag-ali-lane Abids,

Hyderabad-500 001

NOTICE

Notice is hereby given that the 29th Annual General Meeting of the members of the Company will be held on Friday, 28th day of September, 2018 at 3.00 P.M. at H.No.1-140, Rajeswari Ware House, Opposite to Sri Convention, Kompally, Quthbullapur Hyderabad Rangareddi, Telangana- 500055, to transact the following business:

Ordinary Business

1. To receive, consider, approve and adopt the audited financial statements for the financial year ended March, 2018 and the reports of the Board and Auditors thereon.
2. To appoint a Director in the place of Mr. N.Krishnaiah (DIN: 07279009), who retires by rotation being eligible offers himself for re-appointment as Director liable to retire by rotation.
3. To appoint Statutory Auditors and to authorize the Board to fix their remuneration and for that purpose to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable and based on the recommendations of the Audit Committee and the Board of Directors, approval of Members be and is hereby accorded to the appointment of M/s. G L N PRASAD & CO LLP, Chartered Accountants, Hyderabad, (Firm Registration No. 015176S/S200067), be and are hereby appointed as Statutory Auditors of the Company for 5 years, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 34th Annual General Meeting of the company and at such remuneration and out of pocket expenses, as may be decided and approved by the Audit Committee and Board of Directors of the Company"

Special Business

4. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or reenactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and such other approvals, permissions and sanctions, as may be required, consent of the Company be and is hereby accorded for the appointment of Mr. Rajkumar Rai (DIN: 00009207) as Managing Director of the Company for a period of three years with effect from September 01, 2018 to August 31, 2021, without remuneration and he shall have the right to manage the day-to-day business and affairs of the Company subject to the superintendence, guidance, control and direction of the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized severally to take such steps as it may consider necessary, proper or expedient to give effect to the aforesaid resolution."

**By Order of the Board of Directors
for Venmax Drugs and Pharmaceuticals Limited**

Nuka Venkat Narender
Chairman
DIN:01641941

Place : Hyderabad
Date : 01.09.2018

Notes

1. The statements pursuant to Section 102(1) of the Companies Act, 2013 in respect of the Ordinary Business set out in the notice and Secretarial Standard on General Meetings (SS-2), wherever applicable, are annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll in the meeting instead of such member. The proxy need not be a member of the Company. A person can act as a proxy on behalf of members not exceeding fifty (50) members and holding in aggregate not more than ten (10) percent of the total share capital of the Company. A member holding more than ten (10) percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other member or shareholder.
3. A member of a company registered under Section 8 of the Companies Act, 2013 shall not be entitled to appoint any other person as its proxy unless such other person is also a member of such company.
4. The instrument appointing the proxy, duly completed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for this Annual General Meeting is enclosed.
5. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
6. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged with the Company at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company by such intending person.
7. Members / proxies / authorized representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
8. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Pursuant to Secretarial Standard on General Meeting (SS- 2) in respect of the Directors seeking appointment at the Annual General Meeting, forms integral part of the Notice. The Directors have furnished the requisite declarations for their appointment.
9. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of SEBI (LODR) Regulations, 2015 the Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2018 to 28th September, 2018 (both days inclusive).
10. Members whose shareholding is in electronic mode are requested to update the change of address, email ids and change in bank account details, if any with the respective Depository Participant(s).
11. With a view to using natural resources responsibly, we request the shareholders to update respective email addresses with your Depository Participants, if not already done, to enable the Company to send communications electronically.
12. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form

may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's RTA. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Registrar.

SEBI has also mandated, that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company.

14. The Annual Report 2017-18 is being sent through electronic mode to the members whose email addresses are registered with the Company / Depository Participant(s), unless any member has requested for a physical copy of the report. For members who have not registered their email addresses, physical copies of the Annual Report 2017-18 are being sent by the permitted mode.

15. Pursuant to Section 108 of the Companies Act, 2013, read with Rules 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited. The facility for voting, through ballot paper, will also be made available at the Annual General Meeting and the members attending the Annual General Meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the Annual General Meeting through ballot paper. Members who have casted their votes by remote e-voting prior to the Annual General Meeting may attend the Annual General Meeting but shall not be entitled to cast their votes again.

16. Voting through electronic means:

Pursuant to Section 108 of the Companies Act, 2013, read with Rules 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) executed by the company with the BSE Limited, the company is pleased to provide members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Ltd. (CDSL).

A member may exercise his/her votes at any General Meeting by electronic means and Company may pass any resolution by electronic voting system in accordance with the Rule 20 of the Companies (Management and Administration) Rules, 2015.

During the remote e-voting period, members of the Company holding shares either in physical form or dematerialised form, as on the cut-off date (record date) i.e., (Friday, September 21, 2018), may cast their votes electronically.

Members who do not have access to e-voting facility may send duly completed Ballot Form so

as to reach the Scrutinizer appointed by the Board of Directors of the Company, M/s B S S & Associates, Company Secretaries, 6-3-626, Parameswara Appts, 5th Floor, 5A, Anand Nagar, Khairtabad, Hyderabad-500004 not later than Monday, September 24, 2018 (6.00 p.m. IST).

Members have the option to request for physical copy of the Ballot Form by sending an e-mail to venmaxdrugs@gmail.com by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Scrutinizer appointed by the Board of Directors of the Company, M/s B S S & Associates Company Secretaries, 6-3-626, Parameswara Appts, 5th Floor, 5A, Anand Nagar, Khairtabad, Hyderabad-500004 not later than Monday, September 24, 2018 (6.00 p.m. IST).

Ballot Form received after this date will be treated as invalid. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting or by ballot form shall be able to exercise their right at the meeting.

The instructions for shareholders voting electronically are as under:

- i. The voting period begins on Tuesday, September 25, 2018 at 9.00 a.m. IST and ends on Thursday, September 27, 2018 at 5.00 p.m. IST. During these period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) Friday, September 21, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on the e-voting website www.evotingindia.com during the voting period.
- iii. Click on "Shareholders" tab.
- iv. Now, select the "Company Name: Venmax Drugs and Pharmaceuticals Limited" from the drop down menu and click on "SUBMIT"
- v. Now Enter your User ID,
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi. Next enter the Image Verification Code as displayed and Click on Login.
- vii. If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- viii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)*</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Suresh Kumar with sequence number 1 then enter SA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction "v".

- ix. After entering these details appropriately, click on "SUBMIT" tab.
 - x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - xii. Click on the EVSN for the relevant Venmax Drugs and Pharmaceuticals Limited EVSN Reference No: 180828101 on which you choose to vote.
 - xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - xv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - xvii. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - xviii. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - xix. Note for Institutional Shareholders
- ❖ Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.

- ❖ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - ❖ After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - ❖ The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - ❖ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

Other Instructions:

- i. The e-voting period commence on Tuesday, September 25, 2018 at 9.00 a.m. IST and ends on Thursday, September 27, 2018 at 5.00 p.m. IST. During this period, member of the company holding share either in physical form or in dematerialize form as on Friday, September 21, 2018 may cast their vote electronically. The e-voting module shall be disabling by CDSL for voting Thereafter. Once the vote on resolution is cast by the member, he shall not be allowed to change it subsequently.
 - ii. The voting rights of members shall be incorporation to their shares of the paid-up equity share capital of the company as on Friday, September 21, 2018.
 - iii. The Company has appointed M/s B S S & Associates, Company Secretaries as the scrutinizer to scrutinize the voting and remote e-voting process and voting through ballot in a fair and transparent manner.
 - iv. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the company and make, not later than 48 hours of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by the Chairman, who shall declare the result of the voting forthwith.
 - v. The results declared along with the scrutinizers report shall be placed on the company website and with the website of CDSL within forty eight hours of passing of resolutions at the 29th AGM of the company on September 28, 2018 and communicated to the BSE Limited where the share of the company are listed.
17. Members may also note that the Notice of the 29th Annual General Meeting and the Annual Report 2017-18 is available on the Company's website www.venmaxdrugs.com. Members who require physical copies may write to us at venmaxdrugs@gmail.com.
18. All documents referred to in this Notice are available for inspection at the Company's registered office during normal business hours on working days up to the date of the Annual General Meeting.
19. Members are requested to bring their copy of Annual Report to the Meeting.

**By Order of the Board of Directors
for Venmax Drugs and Pharmaceuticals Limited**

Nuka Venkat Narender
Chairman
DIN:01641941

Place : Hyderabad
Date : 01.09.2018

Annexure to the Notice

Additional information on directors recommended for appointment / re-appointment as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 and Secretarial Standard-2.

Name of the Director	Nooka Krishnaiah	Raj Kumar Rai
DIN	07279009	00009207
Date of Birth	10.04.1988	15.05.1983
Date of Appointment	03.09.2015	09.05.2018
Age	30	35
Qualification	MBA	B.Tech (Chemical Engg)
Experience	4	15
Relationship with other director/Manager and other KMP	None	None
No of Shares held in the Company	Nil	Nil
Directorships of other Board	Nil	8
Membership/Chairmanship of Committees of other Board	Nil	Nil

Note: Pursuant to Regulation 26 of the SEBI (LODR) Regulations, 2015 for the purpose of determination of limit, chairpersonship and membership of the Audit Committee and the Stakeholders Relationship Committee alone has been considered.

Except Mr. Nooka Krishnaiah and Mr. Raj Kumar Rai and their relatives, none of the other Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item No. 2 & 4 of the notice.

Explanatory Statement under Section 102(1) of the Companies Act, 2013**Item No. 3**

The Auditors M/s. G L N PRASAD & CO LLP, Chartered Accountants, Hyderabad, (Firm Registration No.015176S/S200067) appointed as statutory auditors, have confirmed that they are eligible to be appointed as Statutory Auditors of the company as per the provisions of Sec. 139(2) of the Companies Act, 2013, Companies (Audit and Auditors) Rules, 2014 and fulfill the requirements of 141 of the said Act, and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The company has received necessary certificate and written consent from M/s. G L N PRASAD & CO LLP, stating that their appointment, if made, shall be in accordance with the conditions as prescribed under the said Act and the rules made there under. Your Directors, therefore, recommend the Ordinary Resolution for your approval.

None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company is, in any way, financially or otherwise, concerned or interested in the resolution.

Item No. 4

Mr. Raj Kumar Rai was first inducted to the Board as a director on 09.05.2018. The Board of Directors, at their Meeting held on 01.09.2018, considered and decided to entrust Mr. Raj Kumar

Rai with increased role and responsibility by elevating him as Managing Director of the Company. The term of his appointment as Managing Director will be for a period of three years from 01.09.2018 to 31.08.2021.

In terms of the provisions of the Companies Act, 2013, consent of the shareholders is required for appointment of Mr.Raj Kumar Rai as Managing Director of the Company. The Board recommend the resolution as set out in Item No.4 for approval of the members as an ordinary resolution.

Except Mr.Raj Kumar Rai and his relatives, None of the other Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company are, in any way, financially or otherwise, concerned or interested in the resolution.

**By Order of the Board of Directors
for Venmax Drugs and Pharmaceuticals Limited**

Place : Hyderabad
Date : 01.09.2018

Nuka Venkat Narender
Chairman
DIN:01641941

Directors' Report

To

The Members of Venmax Drugs and Pharmaceuticals Limited, Hyderabad.

Your Directors are pleased to present the 29th Annual Report along with the audited accounts of our Company for the financial year ended March 31, 2018.

Financial Performance:

The financial highlight is depicted below:

Particulars	Amount in Rs.	
	2017-2018	2016-2017
Income from operations	0.00	25,92,000
Other Income	0.00	12,48,619
Total revenue	0.00	38,40,619
Operating & Administrative expenses	24,21,869	87,51,782
Operating Profit before Interest, Depreciation and Tax	(24,21,869)	(49,11,163)
Depreciation / Amortization	0	0
Profit/(Loss) after tax from continuing operations	(24,21,869)	(49,11,163)
Profit / (Loss) from Total Operations	(24,21,869)	(49,11,163)

Discussion on Financial Performance:

The company has not generated any revenue during the year. The company is trying to generate the revenue in spite of lack of working capital facilities.

Future Outlook

The management is exploring various options to raise the required funds to make the company operational. The Company is planning to open pharmacy outlets in Hyderabad to sell the formulations which will be manufactured under the lease agreements at formulations Plant. Development of cancer product in R& D by out sourcing and prefer to produce in leased premises and market the products, till then focus is being given on trading.

Material changes and commitments if any affecting the financial position of the Company occurred between the end of the financial year to which this Financial Statements relate and the date of the report

There have been no material changes and commitments, affecting the financial position of the Company which occurred during between the end of the financial year to which the financial statements relate and the date of this report.

Details of significant and material orders passed by the regulators/ courts/ tribunals impacting the going concern status and the Company's operations in future

There are no significant material orders passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations.

Share Capital

Authorized Share Capital

During the year under review, there was no change in authorized share capital of the Company. Authorized share capital of the company as on March 31, 2018 was Rs.8,00,00,000.00, comprising of 80,00,000 equity shares of Rs.10.00 each.

Paid-up Share Capital

During the year under review, there was no change in paid up share capital of the Company. Paid up share capital of the company as on March 31, 2018 was Rs.5,23,89,300.00, comprising of 52,38,930 equity shares of Rs.10.00 each.

Buy Back of Securities

The Company has not bought back any of its securities during the year under review.

Sweat Equity

The Company has not issued any Sweat Equity Shares during the year under review.

Bonus Shares

The Company has not issued any bonus shares during the year under review.

Employees Stock Option

The Company has not provided any Stock Option Scheme to the employees

Dividend

Dividend: In view of the inadequate profit for the year under report and the brought forward accumulated loss and to strengthen the cash flows of the company, your Directors regret their inability to recommend any dividend for the year 2017-18.

Transfers to Reserves

Your Board of Directors does not appropriate any amount to be transferred to General Reserves during the year under review.

Fixed Deposits

During the year under review, your Company has not accepted any fixed deposits within the meaning of Section 73 of the Companies Act, 2013 read with rules made there under.

Subsidiaries, Joint Ventures and Associate Companies

The Company does not have any Subsidiary, Joint venture or Associate Company

Particulars of Contracts & Arrangements with Related Parties

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

Particulars of Loans, Guarantees or Investments

Pursuant to section 186 of Companies Act, 2013 and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company neither has, directly or indirectly, given any loan to its Directors nor extended any guarantee or provided any security in connection with any loan taken by them. Further, the Company has neither given any inter-corporate loan / advance nor made any investments in other companies during the financial year 2016-17.

Number of Board Meetings held

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year Six Board Meetings were convened. The details of which are given in the Corporate Governance Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013 and Secretarial Standard-1.

Directors and Key Managerial Personnel

In terms of Section 152 of the Companies Act, 2013, Mr. N.Krishnaiah (DIN: 07279009), Director would retire by rotation at the forthcoming AGM and is eligible for re-appointment. Mr. N. Krishnaiah (DIN: 07279009) has offered himself for re-appointment.

Based on the confirmations received from Directors, none of the Directors are disqualified from appointment under Section 164 of the Companies Act 2013.

Apart that there was no other appointment or cessation of appointment of key managerial personnel during the financial year except Appointment of Mr. Raj Kumar Rai as an Additional Director on 9th May, 2018.

Declaration by Independent Directors

The Independent Directors of the Company have submitted their declarations as required under Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as per sub-section (6) of Section 149 of the Act.

Familiarization programme for Independent Directors

The Company proactively keeps its Directors informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issues being faced by the industry.

Independent Directors' Meeting

The Independent Directors met on February 12, 2018, without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole; the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Board Evaluation

The Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc.

Management Discussion and Analysis

In terms of the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis given below discusses the key issues concerning the business and carried on by the Company.

Directors Responsibility Statement as required under Section 134(5) of the Companies Act, 2013:

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013 the Board of Directors states that:

- (a) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) They have 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 and loss for that period;
- (c) They have taken proper and sufficient care for the 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 fraud and other irregularities;
- (d) They have prepared the annual accounts on a going concern basis;
- (e) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively and
- (f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Nomination and Remuneration policy

In compliance to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee has recommended to the Board a Nomination and Remuneration policy with respect to appointment / nomination and remuneration payable for the Directors, Key

Managerial Personnel and senior level employees of the Company. The said policy has been adopted by the Board and the same was discussed in the Corporate Governance Report. We affirm that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the Company.

Audit Committee

The Composition of the Audit Committee is provided in the Corporate Governance Report forming part of this report. All the recommendations made by the Audit Committee were accepted by the Board.

Risk Management

The Risk Management Committee duly constituted by the Board had formulated a Risk Management Policy for dealing with different kinds of risks attributable to the operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Company has adequate internal control systems and procedures to combat the risk. The Risk Management procedure will be reviewed periodically by the Audit Committee and the Board.

Corporate Social Responsibility (CSR) Initiatives:

Section 135 of the Companies Act, 2013 provides the threshold limit for applicability of the CSR to a Company ie. (a) network of the Company to be Rs.500 crore or more; or (b) turnover of the company to be Rs.1,000 crore or more; or (c) net profit of the company to be Rs.5 crore or more. As the Company does not fall under any of the threshold limits given above, the provisions of section 135 are not applicable to the Company.

Change of Registered Office:

The companies Registered office has been changed from Nama Chemical Industries, Shed No.22, Plot No.84, Phase-I, IDA Cherlapally, Hyderabad - 500 051 to H.No.1-140, Rajeswari Ware House, Opposite to Sri Convention, Kompally, Quthbullapur Hyderabad Rangareddi, Telangana- 500055 due to administrative convenience.

Indian Accounting Standards (IND-AS)

Your Company has adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2017 pursuant to the Companies (Indian Accounting Standard) Rules, 2015 as notified by the Ministry of Corporate Affairs on February 16, 2015. Accordingly, your Company has prepared financial results on standalone basis as per Ind-AS for the first three quarters of the FY 2017-18 and on and from the period ending March 31, 2018, the formats for Unaudited/Audited quarterly financial results i.e. Statement of Profit and Loss and the Unaudited/Audited Half-Yearly Balance Sheet are to be submitted to the stock exchanges, shall be as per the formats for revised Balance Sheet and Statement of Profit and Loss as prescribed in Schedule III to the Companies Act, 2013.

Extract of Annual Return

As required by Section 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of the Annual Return in Form MGT-9 is available on the Company's website at <http://www.venmaxdrugs.com> for shareholders information.

Details relating to Remuneration of Directors, Key Managerial Personnel and employees

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in separate annexure forming part of this Report as Annexure-I.

Particulars of Employees

There were no employees in the Company in the financial year 2017-2018 whose position is covered under Rule 5(2) The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Statutory Auditors

M/s. G L N Prasad & Co LLP, Chartered Accountants, Hyderabad (Firm Registration No. 015176S/S200067) have been appointed as Statutory Auditors of the Company for the financial

year 2017-18 to fill the casual vacancy caused by the resignation of M/s. Madhu & Associates, Chartered Accountants, Hyderabad in the Extra-ordinary General Meeting held on Wednesday, 25th day of April, 2018 at 11.00 A.M.

The company also proposes to appoint M/s. G L N PRASAD & CO LLP, Chartered Accountants, Hyderabad, (Firm Registration No. 015176S/S200067) as statutory auditors of the company from the conclusion of this Annual General Meeting until the conclusion of 34th Annual General Meeting of the Company.

The written consent and a Certificate to the effect that their appointment, if made, would be in accordance with the conditions as prescribed under the Act, has been received by the company.

Your board recommends appointment of statutory auditors for 5 years (from 29th AGM to 34th AGM) as set out in item no.3 in the Notice of Annual General Meeting.

Auditors Report

There are no qualifications, reservations or adverse remarks made by G L N PRASAD & CO LLP, Chartered Accountants, Hyderabad, (Firm Registration No. 015176S/S200067), Statutory Auditors in their report for the Financial Year ended 31st March, 2018.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s. B S S & Associates, Practicing Company Secretaries for conducting Secretarial Audit of the Company for the financial year 2017-2018. The Secretarial Audit Report is annexed herewith as Annexure-II.

Qualification by Secretarial Auditor

The Secretarial Auditor's Report does not contain any qualifications, reservation or adverse remarks except non compliance of Section 203 of the Companies Act, 2013 in respect of appointment of Company Secretary as Key Managerial Person and non compliance of the advertisements in newspapers.

Board Response:

In complying with the provisions of Section 203 of the Companies Act, 2013 regarding appointment of Company Secretary, Since there is no operation made during the years and now the company is in the process to appoint a suitable person who will take care the Secretarial and Listing Compliance part of the Company, now we review in every board meeting and file the pending forms and comply all the compliances as per SEBI (LODR) Regulations, 2015.

Management Discussion and Analysis

In terms of the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis given below discusses the key issues concerning the business and carried on by the Company as Annexure-III.

Internal Financial control system and their adequacy:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Auditor is well defined in the company. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board.

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions suggested are presented to the Audit Committee of the Board.

Vigil Mechanism / Whistle Blower Policy

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI (LODR)

Regulations 2015, the Board has adopted Whistle Blower Policy. This policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.

A mechanism has been established for employees to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics. The policy also provided adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairman of the Audit Committee in exceptional cases.

Your Company hereby affirms that during the year no Director / employee have been denied access to the Chairman of the Audit Committee and that no complaints were received.

Code of conduct

The Company has adopted Code of Conduct for the Board and for the Senior level employees of the Company and they are complying with the said code.

Information on Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and outgo

Pursuant to the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 3 of Companies (Accounts) Rules, 2014, the relevant information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo is appended hereto as Annexure-IV and forms part of the Board's Report.

Corporate Governance

Regulation 15(2) of SEBI LODR (Regulations) 2015 is not applicable to listed Companies having paid up capital not exceeding Rs. 10 Crore and net worth not exceeding Rs. 25 Crore, as on the last date of the previous year. As paid up capital and net worth of the Company has not exceeded the prescribed limit, provisions of Corporate Governance are not applicable to the Company but the Company provides the report on Corporate Governance on Voluntarily basis which was annexed in the Annual Report as Annexure-V.

Management of Risks

There is considerable pressure to keep up the realization from the services in view of highly competitive market.

Company's Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace

The Company prohibits any form of sexual harassment and any such incidence is immediately investigated and appropriate action taken in the matter against the offending employee(s) based on the nature and the seriousness of the offence. The Company has a policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace (the Policy) and matters connected therewith or incidental thereto covering all the aspects as contained under the "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013" notified by the Government of India vide Gazette Notification dated 23rd April, 2013.

There was no case of sexual harassment reported during the year under review.

Insurance

All properties and insurable interests of the Company have been fully insured at the reinstatement values.

Industrial Relations

Industrial relations continued to be cordial throughout the year under review.

Listing of Equity Shares

The Company's Equity shares are listed at the following Recognized Stock Exchange: BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001

Share Transfer Agency

The Company has appointed CIL Securities Limited 214, Raghav Ratna Towers Chirag-ali-lane Abids, Hyderabad-500 001 as its share transfer agency for handling both physical and electronic

transfers.

Listing

The Equity Shares of your Company are listed on Bombay Stock Exchange Limited. It may be noted that there are no payments outstanding to the Stock Exchanges by way of Listing Fees. The company has paid the listing fee for the financial year 2018-19.

Policies

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

i) Whistleblower Policy (Policy on vigil mechanism)

The Company has adopted the whistleblower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics. There has been no change to the Whistleblower Policy adopted by the Company during fiscal 2018.

ii) Policy for Determining Materiality for Disclosures

This policy applies to disclosures of material events affecting Venmax Drugs and Pharmaceuticals Limited. This policy is in addition to the Company's corporate policy statement on investor relations, which deals with the dissemination of unpublished, price-sensitive information.

iii) Policy on Document Retention

The policy deals with the retention and preservation of corporate records of the Company.

Human Resources

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

Awards and recognition

The Company has not received any award during the Financial Year.

Cautionary Statement

Statements in these reports describing company's projections statements, expectations and hopes are forward looking. Though, these expectations etc, are based on reasonable assumption, the actual results might differ.

Acknowledgments

The Directors wish to place on record their gratitude to shareholders and thank the customers, vendors, franchisees, bankers, Department of Explosives and their Officials, Central Excise, Pollution Control Boards and Commercial Tax Departments of respective States, hos of other State and Central Government Departments, Security Exchange Board of India and Stock Exchanges at Mumbai, Ahmedabad, Chennai, Delhi and Kolkata and others for their continued support to the Company's growth. The Directors also wish to place on record, their appreciation for the contribution made by the employees at all levels, for their sincerity, hard work, solidarity and dedicated support to the Company.

For and on behalf of the Board of Directors of
Venmax Drugs and Pharmaceuticals Limited

Nuka Venkat Narender

Chairman

DIN:01641941

Place: Hyderabad

Date: 01.09.2018

Annexure - I

**Information pursuant to Section 197 of the Companies Act,
2013 read with Rule 5(1) of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Sl. No	Name	Age in Years	Date of commencement of Employment	Nature of employment permanent / Temporary	Designation	Remuneration (Amt. in Rs.)	Total Experience (No. of Years)
1	N.V. Narender	58	Sept, 1988	Permanent	Managing Director	25000 PM	28
2	A. Venkateswarlu	31	Feb, 2016	Temporary	CFO	10000 PM	5

Annexure II**Form No. MR-3**

**Secretarial Audit Report
For the Financial Year ended 31st March, 2018**

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

To,
The Members,
Venmax Drugs and Pharmaceuticals Limited,
CIN: L24230TG1988PLC009102,
H.No.1-140, Rajeswari Ware House, Opposite to Sri Convention,
Kompally, Quthbullapur Hyderabad Rangareddi, Telangana- 500055.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Venmax Drugs and Pharmaceuticals Limited (hereinafter called 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 M/s. Venmax Drugs and Pharmaceuticals Limited's books, papers, minute books, forms and returns filed and other records maintained by the company 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 March 31, 2018, 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 the Company for the financial year ended on March 31, 2018 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ;
 - d. Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; Not applicable to the Company during the Audit Period;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any debt securities the audit period;
 - f. 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 - Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the audit period;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted / propose to delist its equity shares from any stock exchange during the audit period; and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable as the Company has not bought back / propose to buyback any of its securities during the audit period;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India; and
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above except

1. No appointment of Company Secretary as required under the Provisions of section 203 of the Companies Act, 2013 and Regulation 6 of the SEBI (LODR) Regulations, 2015 entered with Stock Exchange(s).
2. Non compliance of the advertisements in newspapers as per regulation 47 of SEBI (LODR) Regulations, 2015.
3. Time delays in submissions, intimations and outcome of Board Meetings for audited and unaudited financial results as per Regulation 30 of SEBI (LODR) Regulation, 2015.
4. Bombay Stock Exchange Limited has suspended trading of shares of the company due to penal reasons. The company has submitted all the information to resolve/ revoke the suspension.

We further report that, on examination of the relevant documents and records and based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of quarterly compliance reports by respective department heads / Chief Financial Officer / Whole-time Director taken on record by the Board of Directors of the Company, in our opinion, there are adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general 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.

Adequate notice was given to all Directors to schedule the Meetings of the Board and its Committees. Agenda and detailed notes on agenda were sent to all the directors at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications as may be required on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and there were no dissenting views.

We further report that, there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the audit period no event has occurred during the year which has a major bearing on the Company's affairs.

For **B S S & Associates**
Company Secretaries

S.Srikanth
Partner
ACS No.: 22119
C P No.: 7999

Place: Hyderabad
Date: 01-09-2018

This Report is to be read with our letter of even date which is annexed as Annexure-A to the report and forms an integral part of this report.

Annexure-A to the Secretarial Audit Report

To,
The Members,

Venmax Drugs and Pharmaceuticals Limited,

CIN: L24230TG1988PLC009102,

H.No.1-140, Rajeswari Ware House, Opposite to Sri Convention,
Kompally, Quthbullapur Hyderabad Rangareddi, Telangana- 500055.

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

1. 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.
2. 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 process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. 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 procedure on test basis.
6. 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.

For **B S S & Associates**
Company Secretaries

S.Srikanth
Partner
ACS No.: 22119
C P No.: 7999

Place: Hyderabad
Date: 01-09-2018

Annexure III

Management's Discussion and Analysis Report

Management's Discussion and Analysis Report on the Business of the Company as applicable and to the extent relevant is given below:

Overview & Operations of the Company

Venmax Drugs and Pharmaceuticals Limited is in the business of trading of Bulk Drugs, Intermediates and Biotech Products. The Company is having a professionally managed team at every stage of its operations.

Strengths - The Management depth and ability to manage client relationships.

- Enhanced presence in the international market.

Opportunities & Threats

Large number of Pharmaceutical companies losing their drug patents, thereby increasing the scope of outsourcing to countries that offer a low cost manufacturing base.

The Pharma sector is expected to witness further consolidation by way of mergers and acquisitions this augurs for growth of the Industry. This would result in better price realization and growth.

The Indian Pharma Industry will have to meet the following challenges:

- i. Multinational Companies are setting up large plants in India.
- ii. Competition in the global market that offer low manufacturing base.
- iii. Uncertainties on account of global socio economic environment.

Outlook for the Company

Your Company is on the verge of completion of the expansion plans undertaken. Your Company has planned its business strategy taking the ground realities into account. The Company has introduced new products which are very competitive and beneficial to the Company.

Risks and concerns

Any Government policy intervention or any change in the Pharma sector benefits and unforeseen adverse market conditions are issues of concern and may put pressure on the performance of the Company.

Internal control system and their adequacy

The Company has Internal Control System which is adequate and commensurate with the size of the Company.

Discussion on financial performance with respect to operational performance

A. Financial Conditions:

1. Capital Structure:

The Authorized Share Capital of the Company as at 31st March, 2018 is Rs. 800 Lakhs divided into 80 Lakhs Equity Shares of face value of Rs. 10/- each. The Share Capital of the Company consists of only Equity Shares. The Paid-up Capital of the Company as on 31st March, 2018 is at Rs.523.893Lakhs comprising of 52,38,930 Equity Shares of Rs. 10/- each fully paid-up.

2. Reserves and surplus:

The Reserves and Surplus of the Company as on 31st March, 2018 stands at Rs. -735.18 Lakhs

3. Secured Loans:

There are no secured loan as on 31st March, 2018

4. Unsecured Loans:

The Company has taken unsecured loan from its Director amounting Rs.184.85 Lakhs.

5. Fixed Assets:

The Company has no fixed assets during the financial year 2017-18.

6. Revenue:

During the year, the Company has not generated revenue compared to Rs.25.92 Lakhs in the previous year ended 31st March 2018.

Environment and Safety

The company is complying and maintains environmental safety.

Human Resources

The company believes that the quality of its employees is the key to its success.

Cautionary Statement

Statement in this "Management Analysis Report" be considered to be forward looking statements within the meaning of applicable securities laws or regulations. Actual result could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, increased installed capacity, price bulk drugs and its availability, cyclical demands and pricing in the Company's market, changes in Government regulations, tax regimes, besides other factors such as litigations and labour negotiations.

Annexure – IV

Details of Conservation of Energy

(A) Conservation of energy- The Company being not a power intensive unit the scope for energy conservation efforts is limited

- (i) the steps taken or impact on conservation of energy;
- (ii) the steps taken by the company for utilizing alternate sources of energy;
- (iii) the capital investment on energy conservation equipments;

(B) Technology absorption- Nil

- (i) The efforts made towards technology absorption;
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution;
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- Not applicable
 - (a) The details of technology imported;
 - (b) The year of import;
 - (c) Whether the technology been fully absorbed;
 - (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof;

and

(iv) The expenditure incurred on Research and Development. Nil

(C) Foreign exchange earnings and outgo-

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows. NIL

Annexure - V

Corporate Governance Report

1. Company's philosophy on corporate governance:

The Company is committed to Good Corporate Governance to ensure that all functions of the company are discharged in a professionally sound and competent manner. Given view is the requisite information relating to corporate functioning of your company at apex level for the purpose

of due transparency on this aspect.

2. Board of Directors:

The Board of Directors has an optimum combination of Executive and Non-Executive Directors and its composition is in conformity with Regulation 17 of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 read with Section 149 of the Companies Act 2013 ("Act"). All the Directors have made the requisite disclosures regarding directorships and Committee positions held by them in other Companies.

I-As on March 31, 2018, the Board of the Company consists of Four (4) Directors comprising of one (1) Managing Director and Two (2) is Independent Directors. And one (1) is Non-Executive Directors.

Following was the composition of directors as on March 31, 2018:

S. No	Name	Category	In other Directorship	companies committee Membership
1	Mr. Nuka Venkat Narender	Chairman & Managing Director	1	NIL
2	Ramakrishnaiah Appanaboyana	Independent Director	NIL	NIL
3	Ms. G.S.V.Divya Jyothi	Independent Women Director	NIL	NIL
4	Mr. N . Krishnaiah	Non-Executive Director	NIL	NIL

Notes:

- Other directorships exclude foreign companies, private limited companies and alternate directorships.
- Only membership in Audit Committee and Stakeholders' Relationship Committee has been reckoned for other committee memberships.

ii None of the Independent Directors on the Board holds directorships in more than Seven Listed companies. Further, none of the Director was a member of more than ten committees or chairman of more than five committees across all the public companies in which he was a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2018 have been made by the Directors. All the directors mentioned as part of the Promoter Group in the above list are related to each other in the following manner.

iii- Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet with the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act

iv- Six Board Meetings were held during the year and the gap between two consecutive meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held are: 26.05.2017, 28.07.2017, 14.08.2017, 03.09.2017, 14.12.2017, 28.01.2017 and 12.02.2018.

The attendance of each Director at the Board Meetings and last Annual General Meeting held during the year under review are as under:

Name of Director	Meetings		Attendance at last AGM held on August 22, 2017
	Held	Attended	
Mr. Nuka Venkat Narender	6	6	Yes
Mr. Ramakrishnaiah Appanaboyana	6	6	Yes
Ms. G.S.V. Divya Jyothi	6	6	Yes
Mr. N. Krishnaniah	6	6	Yes

v- Details of equity shares of the Company held by the Directors as on March 31, 2018 are given below:

Name of the Director	Category	Number of equity shares
Mr. Nuka Venkat Narender	Executive - Promoter Group	9,26,775

The Company has not issued any convertible instruments. None of the Non-Executive Directors are holding any shares in the company as on 31st March 2018.

3. Audit Committee

i- The audit committee of the Company has been constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Act.

ii- The terms of reference of the audit committee is as per the Schedule II Part C of the SEBI (LODR) which include:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
 - ❖ Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act.
 - ❖ Changes, if any, in accounting policies and practices and reasons for the same.
 - ❖ Major accounting entries involving estimates based on the exercise of judgment by management.
 - ❖ Significant adjustments made in the financial statements arising out of audit findings.
 - ❖ Compliance with listing and other legal requirements relating to financial statements.
 - ❖ Disclosure of any related party transactions
 - ❖ Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing and monitoring the auditors' independence and performance, and effectiveness of audit process;
- Approval or any subsequent modifications of transactions of the Company with related parties;

- Scrutiny of inter-corporate loans and investments;
- Examination of the financial statement and the auditors' report thereon;
- Evaluation of internal financial controls;
- Establishment of vigil mechanism for directors and employees to report genuine concerns.
- Calling for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and discussions on any related issues with the internal and statutory auditors and the management of the Company;

iii- Review of the information required as per SEBI (LODR) Regulations, 2015.

iv- The previous Annual General Meeting ("AGM") of the Company was held on 22-08-2017 and was attended by Mr. Ramakrishnaiah Appanaboyana, Chairman of the audit committee.

The composition of the Audit Committee and the details of attendance at its meetings are given below:

Name	Category	Number of meetings during the financial year 2017-18	
		Held	Attended
Mr. Ramakrishnaiah Appanaboyana-Chairman	Independent Director	4	4
Ms. G.S.V. Divya Jyothi-Member	Independent Director	4	4
Mr. Nuka Venkat Narender-Member	Executive	4	4

v. Audit committee met 4 times during the year and the dates of such meeting are:

26.05.2017, 14.08.2017, 14.12.2017, 12.02.2018

4. Nomination and Remuneration Committee

(I) Brief description of terms of reference is for:

(A) appointment of the directors, and key managerial personnel of the Company; and

(B) fixation of the remuneration of the directors, key managerial personnel and other employees of the Company.

(II) Composition of committee

The Committee is chaired by Mr. Ramakrishnaiah Appanaboyana, Independent Director and includes Ms. G.S.V. Divya Jyothi Independent Director and Mr. N V Narender, Director as other members.

Name of the Director	Category	Number of committee meetings	
		Held	Attended
Ramakrishnaiah Appanaboyana	Independent Director	1	1
Ms. G.S.V. Divya Jyothi I	Independent Director	1	1
Mr. N. Krishnaiah	Non Executive Director	1	1

This committee recommends the appointment/reappointment of executive directors and the appointments of employees from the level of vice-president and above along with the remuneration to be paid to them. The remuneration is fixed keeping in mind the persons track record, his/her potential individual performance, the market trends and scales prevailing in the similar industry.

Criteria for Performance evaluation:**(IV) Remuneration Policy:**

The Policy inter alia provides for the following:

- attract, recruit, and retain good and exceptional talent;
- list down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;
- ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognises their merits and achievements and promotes excellence in their performance;
- motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- fulfill the Company's objectives and goals, including in relation to good corporate governance, transparency, and sustained long-term value creation for its stakeholders.

(V) Criteria for making payments to Non- Executive Directors:

The Company has not made any payments to the Non-Executive Directors except sitting fees for attending Board of Directors meetings.

(VI). Nomination and Remuneration committee met on 26th May, 2017.**(VII) Remuneration paid to Directors**

Remuneration to Executive Directors:

The company has paid Rs.3.00 Lakh p.a. to the Managing Director

Remuneration to Non-Executive Directors

Presently, the Non-Executive Directors do not receive any remuneration from the company and are paid sitting fees for attending the meetings of the Board and Committees thereof.

a) Details of Sitting Fees paid to Non-Executive Directors during the financial year 2017-2018

The details of sitting fees paid/payable to Non-Executive Directors during the financial year 2017-2018 is as under:

Name of the Director	Sitting Fee					Total
	Board Meetings	Audit Committee Meetings	N & R Committee Meetings	Risk Management Committee Meeting	Stakeholders Relationship Committee Meetings	
A.Ramakrishnaiah	5,000	NA	NA	NA	NA	5,000
G.S.V.Divya Jyothi	5,000	NA	NA	NA	NA	5,000
Mr. N . Krishnaiah	5,000	NA	NA	NA	NA	5,000

5. Stakeholders Relationship Committee:

The Committee reviews, records and helps to expedite transfer of shares and resolve any grievances of investors. The Committee meets frequently throughout the year to minimize any delays in the transfer process.

Composition of Stakeholders Relationship Committee comprises of the following Directors:

- Mr.Ramakrishnaiah Appanaboyana Chairman
- Mrs. G.S.V.Divya Jyothi Member
- Mr. Nuka Venkat Narender Member

Attendance of each Director at Stakeholders Relationship Committee Meeting

Name of the Director	Category	Number of committee meetings	
		Held	Attended
Ramakrishnaiah Appanaboyana	Independent Director	4	4
Ms. G.S.V.Divya Jyothi	Independent Director	4	4
Mr. Nuka Venkat Narender	Executive	4	4

Mr. Nuka Venkat Narender, Managing Director is the Compliance officer under the relevant regulations. There were no transfers were pending as on the date 31.03.2018.

The company has received the following complaints from the share holders during the period under review, to the best of knowledge of the company; these complaints were resolved to the satisfaction of shareholders.

Complaints received and redressed during the year 2017-2018

S.No.	Nature of Complaints	Number of Complaints Received	Number of Complaints Solved	Number of Complaints Pending
1	Regarding annual report	Nil	Nil	Nil
2	Revalidation of dividend warrant	Nil	Nil	Nil
3	Issue of duplicate share certificate	Nil	Nil	Nil
4	Issue of duplicate dividend warrant	Nil	Nil	Nil
5	Procedure for transmission	Nil	Nil	Nil
6	General queries	01	01	Nil
7	Non receipt of dividend	Nil	Nil	Nil
8	Correction in share certificate	01	01	Nil
9	Change of address	Nil	Nil	Nil
10	Unclaimed dividend	Nil	Nil	Nil
11	Correction in dividend cheque	Nil	Nil	Nil
	TOTAL	02	02	Nil

SEBI vide Circular Ref: CIR/OIAE/2/2011 dated June 3, 2011 informed the company that they had commenced processing of investor complaints in a web based complaints redress system "SCORES". Under this system, all complaints pertaining to companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES.

All the requests and complaints received from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year. Mr. Nuka Venkat Narender is the compliance officer of the company. For any clarification / complaint the shareholders may contact Mr. Nuka Venkat Narender, Compliance Officer at the registered office of the company.

6. Meeting of Independent Directors:

Schedule IV of the Companies Act, 2013 and the Rules under it mandate that the independent directors of the Company hold at least one meeting in a year, without the attendance of non-independent directors and members of the Management. It is recommended that all the independent directors of the Company be present at such meetings. These meetings are expected to review the performance of the non-independent directors and the Board as a whole, as well as the performance of the chairman of the Board, taking into account the views of the executive directors and non-executive directors; assess the quality, quantity and timeliness of the flow of information between the Management and the Board that is necessary for it to effectively and reasonably perform its duties and the Independent Directors of the Company had met during the year on 12.02.2018.

7. Familiarization programme for Independent Directors

The Company proactively keeps its Directors informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issues being faced by the industry.

8. General Body Meetings:

Details of the last Three Annual General were as follows:

Date & Time	Venue	Special Resolutions passed in AGM
22.08.2017 & 3.00 P.M.	J.S. Krishnamurthy Hall, FATPCCI Building, Red Hills, Hyderabad – 500004	NIL
29.09.2016 & 12.30 P.M	Nama Chemical,Industries, Shed No.22, Plot No.84, Phase-I, IDA Cherlapally, Hyderabad – 500051	NIL
30.09.2015 & 11. 30 a.m	Nama Chemical,Industries, Shed No.22, Plot No.84, Phase-I, IDA Cherlapally, Hyderabad – 500051	NIL

No resolution was put through postal ballot in any of the General Meetings so far held by the Company.

Whether special resolutions were put through postal ballot last year, details of voting pattern:

No special resolutions were passed by the shareholders of the company through postal ballot during the year 2017-2018.

Whether any resolutions are proposed to be conducted through postal ballot:

No Special Resolution is proposed to be conducted through Postal Ballot.

9. Whistle Blower Policy

The company has an established mechanism for Directors / Employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors/ employees who avail of the mechanism. The company affirms that no personnel have been denied access to the audit committee. The Company has formulated a Policy of Vigil Mechanism and has established a mechanism that any personnel may raise Reportable Matters within 60 days after becoming aware of the same. All suspected violations and Reportable Matters are reported to the Chairman of the Audit Committee at e-mail id venmaxdrugs@gmail.com The key directions / actions will be informed to the Executive Director of the Company.

11. Disclosures

(a) Related Party Transaction:

There have been no materially significant related party transactions with the Company's Promoters, Directors, the Management or relatives which may have potential conflict with the interests of the company at large. The necessary disclosures regarding the transactions are given in the notes to accounts. The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the audit committee and Board of directors were taken wherever required in accordance with the Policy.

(b) Accounting Treatment:

In the preparation of the financial statements, the Company has followed the accounting policies and practices as prescribed in the Accounting Standards.

(c) Management Discussion and Analysis

Management Discussion and Analysis Report is set out in a separate Section included in this Annual Report and forms part of this Report

(d) Compliances:

There were few instances of non-compliance by the company on matters related to the Stock Exchange, MCA and other statutory authority.

(e) CEO/CFO Certification

The Managing Director and the Chief Financial Officer have furnished a Certificate to the Board for the year ended on March 31, 2018 in compliance with Regulation 15 of the SEBI (LODR) Regulation, 2015.

(f) Reconciliation of Share Capital Audit

A quarterly audit was conducted by a Practicing Company Secretary, reconciling the issued and listed capital of the company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31st March 2018 there was no difference between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories 34,66,250 equity shares representing 66.16% of the paid up equity capital have been dematerialized as on 31st March 2017.

1. General Shareholders Information:

a) Company Registration details:

The Company is registered in the State of Telangana, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L24230TG1988PLC009102.

b) Date, time and venue of AGM

Annual General Meeting Day	Friday, 28th September, 2018
Time	3.00 P.M
Venue	H.No.1-140, Rajeswari Ware House, Opposite to Sri Convention, Kompally, Quthbullapur Hyderabad Rangareddi, Telangana- 500055
Book Closure Date	24.09.2018 to 28.09.2018 (both days inclusive)
Financial Year	1st April to 31st March

c) Registered Office:

H.No.1-140, Rajeswari Ware House, Opposite to Sri Convention, Kompally, Quthbullapur Hyderabad Rangareddi, Telangana- 500055.

d) Financial Year

Financial year is 1st April to 31st March and financial results will be declared as per the following schedule.

Financial Calendar for the year 2018 – 19 (Tentative)

Financial Year Ending	31.03.2019
Quarter ending on 30th June, 2018	on 14.08.2018
Quarter ending on 30th September, 2018	on 14.11.2018
Quarter ending on 31st December, 2018	on 14.02.2019
Quarter ending on 31st March, 2019 & Annual Result of 2018-2019	on 30.05.2019

e) Listing on Stock Exchanges

Bombay Stock Exchange Ltd, Phiroze Jeejeebhoy Towers, Dalal, Street, Mumbai – 400 001

Listing fee is to be paid for the year 2016-17 to the Bombay Stock Exchange, Mumbai

F) Stock Code

Bombay Stock Exchange Ltd, Mumbai- 531015

g) Stock Price Data

Monthly high and low price of shares traded on Bombay Stock Exchange during the year from 01.04.2017 to 31.03.2018 is given below

Month	High	Low
April-17	3.90	3.19
May-17	4.12	3.96
June-17	4.10	4.09
July-17	4.18	4.10
August-17	--	–
September-17	4.10	4.10
October-17	--	–
November-17	--	–
December-17	4.10	3.94
January -18	4.21	4.01
February -18	--	–
March-18	4.18	4.18

h) Address of Demat Registrars & Share Transfer Agents:

CIL Securities Limited

214, Raghav Ratna Towers

Chirag-ali-lane Abids, Hyderabad-500.

Share Transfer System: Transfer of Securities in Physical form are registered and duly transferred share certificates are dispatched within 30 days of receipt provided transfer documents are in order.

Distribution of Share Holdings as on 31.03.2018

Share Holding	Number of Share Holders	% to Total	No. of Shares	% to Total
01 – 500	5689	90.40	843226	16.10
501 – 1000	223	3.54	183385	3.50
1001 – 2000	210	3.34	289731	5.53
2001 – 3000	69	1.10	170765	3.26
3001 – 4000	14	0.22	49408	0.94
4001 – 5000	21	0.33	103221	1.97
5001 – 10000	32	0.51	237087	4.53
10001 – Above	35	0.56	3362107	64.18
Total	6293	100.00	5238930	100.00

Outstanding GDRS/ADRS/Warrants or any convertible instruments, conversion date and likely impact on equity.

The were no such outstanding instruments as on 31st March, 2018

Dematerialization of Shares:

66.16% of Shares issued by the company have been dematerialized as on 31.03.2018. Trading in equity shares of your company on any stock Exchange is permitted only in Dematerialized mode. Demat ISIN Number allotted by NSDL : INE154G01022

Address for Communication:

H.No.1-140, Rajeswari Ware House, Opposite to Sri Convention, Kompally, Quthbullapur Hyderabad Rangareddi, Telangana- 500055.

Email – venmaxdrugs@gmail.com

15. Non-Mandatory Disclosures:

The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

(i) The Board

Independent Directors possess the requisite qualification and experience to contribute effectively to the company in their capacity as independent director.

(ii) Shareholders Right:

The quarterly, half yearly and annual results of your Company with necessary report thereon are published in newspapers and posted on Company's email venmaxdrugs@gmail.com. The same are also available at the sites of the stock exchanges where the shares of the Company are listed i.e. www.bseindia.com.

(iii) Audit Qualifications

The statutory financial statements of the company are unqualified.

(iv) Reporting of Internal Auditor

The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meeting and regularly attends the Meeting for reporting their findings of the internal audit to the Audit Committee Members. The Internal Auditor of the company directly reports to the Audit Committee.

Declaration by Executive Director

I, Mr. Nuka Venkat Narender, Chairman of Venmax Drugs and Pharmaceuticals Limited hereby declare that the members of Board, Key Managerial Personnel and other senior level employees of the Company are adhering to the code of conduct adopted by the Board which is posted on the website of the Company.

Place : Hyderabad

Date : 01-09-2018

Mr. Nuka Venkat Narender

Chairman

DIN:01641941

INDEPENDENT AUDITOR'S REPORT

To

The Members of

VENMAX DRUGS AND PHARMACEUTICALS LIMITED

Hyderabad

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of VENMAX DRUGS AND PHARMACEUTICALS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also 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; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting 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 and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone financial statements 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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, of the state of affairs of the Company as at March 31, 2018, and its loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we 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 purposes of our audit.
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow 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 Indian Accounting Standards prescribed under section 133 of the Act.
 - e) on the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone 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.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **G L N PRASD & CO LLP**
Chartered Accountants
Firm Registration No :015176S/S200067

Ch. Ramakrishna
Partner
M.No. 226417

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Venmax Drugs And Pharmaceuticals Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **VENMAX DRUGS AND PHARMACEUTICALS LIMITED** (“the Company”) as of March 31, 2018 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 Board of Directors of the Company 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, 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 internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 financial 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 judgement, 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 Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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, to the best of our information and according to the explanations given to us, 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, 2018, 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.

For **G L N PRASD & CO LLP**
Chartered Accountants
Firm Registration No :015176S/S200067

Place: Hyderabad,
Date: 01-09-2018

Ch. Ramakrishna
Partner
M.No. 226417

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Venmax Drugs And Pharmaceuticals Limited of even date)

- i. In respect of the Company's fixed assets, The Company does not have any fixed assets. Accordingly, reporting under clause 3 (i) of the Order is not applicable to the Company.
- ii. The Company engaged in the business of manufacturing and sale of bulk drugs. However company does not have any physical inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, LLPs or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, reporting under clause 3 (iii) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company have not been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.
- (b) Undisputed amount payable in respect of the above were PF pertaining to the financial year 31 March,2017 amounting to Rs. 61,914 and ESI pertaining to financial year 31 March 2017 amounting to Rs. 17,097.
- viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **G L N PRASD & CO LLP**
Chartered Accountants
Firm Registration No :015176S/S200067

Ch. Ramakrishna
Partner
M.No. 226417

Venmax Drugs and Pharmaceuticals Limited
Standalone Balance Sheet

PARTICULARS	Note	As at 31.03.2018	As at 31.03.2017	As at 1.04.2016
		₹	₹	₹
Assets				
Non-current assets				
Financial assets				
Investments	4	-	-	58,460
Loans	5	-	696,738	616,738
Deferred tax assets, net	6	-	-	8,448,224
		-	696,738	9,123,422
Current assets				
Financial assets				
Trade receivables	7	-	-	5,502,553
Cash and cash equivalents	8	37,425	6,276	314,973
Current tax assets		374,570	374,570	374,570
Other current assets	9	308,148	308,148	4,227,197
		720,143	688,994	10,419,293
Total assets		720,143	1,385,732	19,542,715
Equity and Liabilities				
Equity				
Equity share capital	10	52,389,300	52,389,300	52,389,300
Other equity	11	(73,518,516)	(71,096,647)	(56,809,086)
Total equity		(21,129,216)	(18,707,347)	(4,419,786)
Current liabilities				
Financial Liabilities				
Borrowings	12	20,378,150	18,485,489	17,195,238
Trade payables	13	592,039	758,369	5,724,576
Other financial liabilities	14	800,158	709,158	902,726
Other current liabilities	15	79,012	140,063	139,961
Total liabilities		21,849,359	20,093,079	23,962,501
Total equity and liabilities		720,143	1,385,732	19,542,715
Summary of significant accounting policies	3			

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date
for **G L N PRASAD & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 015176S/S200067

for and on behalf of the Board of Directors of
Venmax Drugs and Pharmaceuticals Limited

Ch. Ramakrishna
Partner
Membership No.: 226417

N. V. Narender
Chairman and Managing Director
DIN: 01641941

Dr. A. Ramakrishnaiah
Director
DIN: 01641977

Place: Hyderabad
Date: 28 May 2018

A. Venkateswarlu
Chief Financial Officer

Venmax Drugs and Pharmaceuticals Limited
Standalone Statement of Profit and Loss

PARTICULARS	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations	16	-	2,592,000
Other income	17	-	1,248,619
Total income		-	3,840,619
Expenses			
Purchases of Stock in Trade		-	2,442,000
Employee benefits expense	18	537,458	607,500
Other expenses	19	1,884,411	5,702,282
Total expense		2,421,869	8,751,782
Profit before tax and exceptional items		(2,421,869)	(4,911,163)
Exceptional items	20	-	(8,448,224)
Profit before tax		(2,421,869)	(13,359,387)
Tax expenses			
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
Profit for the year		(2,421,869)	(13,359,387)
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Re-measurement gains/ (losses) on defined benefit plan		-	-
Income-tax effect		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(2,421,869)	(13,359,387)
Earnings per equity share (nominal value of INR 4) in INR	25		
Basic		(0.46)	(2.55)
Diluted		(0.46)	(2.55)
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date
for **G L N PRASAD & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 015176S/S200067

for and on behalf of the Board of Directors of
Venmax Drugs and Pharmaceuticals Limited

Ch. **Ramakrishna**
Partner
Membership No.: 226417

N. V. Narender
Chairman and Managing Director
DIN: 01641941

Dr. A. Ramakrishnaiah
Director
DIN: 01641977

Place: Hyderabad
Date: 28 May 2018

A. Venkateswarlu
Chief Financial Officer

Venmax Drugs and Pharmaceuticals Limited
Standalone Statement of Cash Flows

PARTICULARS	For the year ended 31 March 2018	For the year ended 31 March 2017
Operating activities		
Profit before tax	(2,421,869)	(13,359,387)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of tangible assets	-	-
Amortisation of intangible assets	-	-
Finance income (including fair value change in financial instruments)	-	-
Finance costs (including fair value change in financial instruments)	-	-
Writtenoff of interest	-	(928,174)
Provision for doubtful debts, net	-	-
Provision for doubtful advances, net	-	-
Working capital adjustments:		
(Increase)/ decrease in trade receivables	-	411,605
(Increase)/ decrease in other current assets	-	35,149
(Increase)/ decrease in loans	-	-
(Increase)/ decrease in Deferred tax asset	-	8,448,224
Increase/ (decrease) in trade payables and other financial liabilities	(166,330)	(4,966,207)
Increase/ (decrease) in provisions	(61,051)	(114,557)
Increase/ (decrease) in other financial liabilities	91,000	(78,911)
	(2,558,250)	(10,552,256)
Income tax paid	-	-
Net cash flows from operating activities	(2,558,250)	(10,552,256)
Investing activities		
Sale of property, plant and equipment (including capital work in progress)	-	58,460
"(Investments in)/ redemption of bank deposits (having originalmaturity of more than three months) - net"	-	-
Interest received (finance income)	-	-
Net cash flows used in investing activities	-	58,460
Financing activities		
Proceeds / (repayment) from long term borrowings, net	1,892,661	1,290,251
Proceeds / (repayment) from short term borrowings, net	-	-
(Increase)/ decrease in Non current assets	696,738	8,894,848
Interest paid	-	-
Net cash flows from/ (used in) financing activities	2,589,399	10,185,099
Net increase / (decrease) in cash and cash equivalents	31,149	(308,697)
Cash and cash equivalents at the beginning of the year	6,276	314,973
Cash and cash equivalents at the end of the year	37,425	6,276
Summary of significant accounting policies	3	

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date
for **G L N PRASAD & CO LLP**
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Director
DIN: 01641977

Place: Hyderabad
Date: 28 May 2018

A. Venkateswarlu
Chief Financial Officer

Venmax Drugs and Pharmaceuticals Limited
Standalone Statement of Changes in Equity for the year ended March 31, 2018

a. Equity Share Capital

PARTICULARS	No. of shares	Amount (₹)
Balance as at April 1, 2016	5,238,930	52,389,300
Balance as at March 31, 2017	5,238,930	52,389,300
Balance as at March 31, 2018	5,238,930	52,389,300

b. Other equity

PARTICULARS	Reserves and Surplus			Total
	Securities Premium	State Investment subsidy	Retained Earnings	
At April 1, 2016	7,303,200	928,174	(65,040,460)	(56,809,086)
Transfer to retained earnings		(928,174)		(928,174)
Profit for the year			(13,359,387)	(13,359,387)
Other comprehensive income				
Re-measurement gains/ (losses) on defined benefit plans			-	-
Income-tax effect			-	-
At March 31, 2017	7,303,200	-	(78,399,847)	(71,096,647)
Profit for the year			(2,421,869)	(2,421,869)
Other comprehensive income				
Re-measurement gains/ (losses) on defined benefit plans, net of tax			-	-
Income-tax effect			-	-
Balance as of 31 March 2018	7,303,200	-	(80,821,716)	(73,518,516)
Summary of significant accounting policies	1 to 5			

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date
for **G L N PRASAD & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 015176S/S200067

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A. Venkateswarlu
Chief Financial Officer

1 General Information

Venmax Drugs and Pharmaceuticals Limited ('the Company') is a Public Limited Company incorporated in India, having its registered office at Hyderabad, India. The Company is primarily engaged in the manufacturing and sale of bulk drugs. The Company is listed in the the Bombay Stock Exchange (BSE).

2 Basis of preparation of financial statements

2.1 Statement of Compliance

The financial statements have been prepared in accordance of Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015 notified under Section 133 of Companies Act 2013 (the 'Act') and other relevant provisions of the Act.

The Company's financial statements up to and for the year ended March 31, 2016 were prepared in accordance with the Companies (Accounting Standards) Rules 2006, notified under Section 133 of Companies Act 2013 (the 'Act') and other relevant provisions of the Act.

As these are the first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance of the Company is provided in Note 38.

The financial statements were authorised for issue by the Company's Board of Directors on May 25, 2018. Details of the accounting policies are included in Note 3.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the statement of financial position:

- certain financial assets and liabilities are measured at fair value

2.3 Functional currency

The financial statements are presented in Indian rupees, which is the functional currency of the Company. Functional currency of an entity is the currency of the primary economic environment in which the entity operates.

All amounts are in Indian Rupees except share data, unless otherwise stated.

2.4 Operating cycle

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Assets:

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realized within twelve months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within twelve months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Current assets/ liabilities include the current portion of non-current assets/ liabilities respectively. All

other assets/ liabilities are classified as non-current.

2.5 Critical accounting judgements and key sources of estimation uncertainty

Operating cycle
In the application of the Company's accounting policies, which are described in note 3, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

2.6 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Significant accounting policies

3.1 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.

- Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts, volume rebates and VAT/ GST are recognised when all significant risks and rewards of ownership of the goods sold are transferred.
- Revenue from the sale of goods includes excise duty.
- Difference between the sale price and carrying value of investment is recognised as profit or loss on sale / redemption on investment on trade date of transaction.

3.2 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Assets held under leases that do not transfer substantially all the risks and reward of ownership are not recognized in the balance sheet.

Lease payments under operating lease are generally recognised as an expense in the statement of profit and loss on a straight-line basis over the term of lease unless such payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

Further, at the inception of above arrangement, the Company determines whether the above arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the Company separates a payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values.

If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.3 Borrowing costs

Specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing cost includes interest expense, amortization of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

3.4 Taxation

Income tax expense consists of current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; differences relating to

investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising upon the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.5 Earnings per share

The Company presents basic and diluted earnings per share ('EPS') data for its ordinary shares. The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

3.6 Property, plant and equipment

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

3.7 Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the date of deduction/disposal.

3.8 Intangible assets and amortization

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use.

Amortization

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Design and development is amortised over a period of five years.

3.9 Inventories

Inventories are valued as follows:

Raw materials, fuel, stores & spare parts and packing materials:

Valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on weighted average basis.

Work-in-progress (WIP), finished goods and stock-in-trade:

Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on weighted average basis.

3.10 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

3.11 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated. Bank overdrafts are classified as part of cash and cash equivalent, as they form an integral part of an entity's cash management.

3.12 Impairment of non financial assets

The carrying amounts of the Company's non-financial assets, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit').

An impairment loss is recognized in the income statement if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Goodwill that forms part of the carrying amount of an investment in an associate is not recognized separately, and

therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

An impairment loss in respect of equity accounted investee is measured by comparing the recoverable amount of investment with its carrying amount. An impairment loss is recognized in the income statement, and reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

3.13 Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

The Company's contributions to defined contribution plans are charged to the income statement as and when the services are received from the employees.

Defined benefit plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. The current service cost of the defined benefit plan, recognized in the income statement in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Other long-term employee benefits

The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

3.14 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic

benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

3.15 Contingent liabilities & contingent assets

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

3.16 Financial instruments

a. Recognition and Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issues of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b. Classification and Subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice.

These include whether management's strategy focuses on earning contractual interest

income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL. Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, „principal" is defined as the fair value of the financial asset on initial recognition. „Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company

considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

d. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

e. Impairment

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost;

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income (FVOCI) are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the trade receivable does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order

to comply with the Company's procedures for recovery of amounts due.

Venmax Drugs and Pharmaceuticals Limited
Notes forming part of the standalone financial statements

PARTICULARS	31.03.2018	31.03.2017	01.04.2016
4 Investments			
Non-current investments			
Investments carried at fair value			
Unquoted equity shares			
Investments in subsidiaries			
Nil (March 31, 2017: Nil; April 1, 2016: 5,846)			
equity shares of 10 each in PETL	-	60,100,000	58,460
Total investments	-	60,100,000	58,460
5 Loans (Unsecured, considered good unless otherwise stated)			
Non-current			
Security deposits		-	696,738
616,738	-	696,738	616,738
6 Deferred tax asset			
Deferred tax asset on			
- Tangible and Intangible assets	-	-	8,448,224
Deferred tax asset, net	-	-	8,448,224
7 Trade receivables			
Unsecured, considered good	6,408,296	6,408,296	11,910,849
	6,408,296	6,408,296	11,910,849
Less: Allowance for doubtful receivables	(6,408,296)	(6,408,296)	(6,408,296)
Total trade receivables	-	-	5,502,553
8 Cash and cash equivalents			
Balances with banks:			
- On current accounts	19,280	1,302	310,000
Cash on hand	18,145	4,974	4,973
Total cash and cash equivalents	37,425	6,276	314,973
9 Other assets			
Current assets			
Unsecured, considered good			
Advances other than capital advances			
Advance for expenses	308,148	308,148	4,227,197
	308,148	308,148	4,227,197
10 Share Capital			
Authorised Share Capital 8,000,000			
(March 31, 2017: 8,000,000; April 1, 2016: 8,000,000) equity shares of Rs.10/- each	80,000,000	80,000,000	80,000,000
Issued, subscribed and fully paid-up			
5,238,930 (March 31, 2017: 5,238,930; April 1, 2016: 5,238,930) equity shares of Rs.10/- each fully paid-up	52,389,300	52,389,300	52,389,300
	52,389,300	52,389,300	52,389,300

Venmax Drugs and Pharmaceuticals Limited
Notes forming part of the standalone financial statements

(a) Reconciliation of shares outstanding at the beginning and end of the reporting year

PARTICULARS	31 March 2018		31 March 2017	
	No. of equity shares	Amount	No. of equity shares	Amount
Outstanding at the beginning of the year	5,238,930	52,389,300	5,238,930	52,389,300
Issued during the year	-	-	-	-
Outstanding at the end of the year	5,238,930	52,389,300	5,238,930	52,389,300

(b) Terms / rights attached to the equity shares

Equity shares of the Company have a par value of 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

PARTICULARS	31 March 2018		31 March 2017	
	No. of equity shares held	% holding in the class	No. of equity shares held	% holding in the class
NV Narender	917,430	17.51%	917,430	17.51%
Nitesh Vijay Vargiya	400,000	7.64%	400,000	7.64%
Shree India Securities Ltd. (Corporate)	366,061	6.99%	366,061	6.99%

PARTICULARS	31.03.2018	31.03. 2017
11 Other equity		
Securities premium		
Opening balance	7,303,200	7,303,200
Add: Premium on fresh issue	-	-
Closing balance	7,303,200	7,303,200
State investment subsidy		
Opening balance	-	928,174
Less: Transfer to retained earnings	-	(928,174)
Closing balance	-	-
Retained earnings		
Opening balance	(78,399,847)	(65,040,460)
Profit/(loss) for the year	(2,421,869)	(13,359,387)
Other comprehensive income	-	-
Less: Transfers to general reserve	-	-
Closing balance	(80,821,716)	(78,399,847)
Total other equity	(73,518,516)	(71,096,647)

Securities premium consists of the difference between the face value of the equity shares and the consideration received in respect of shares issued.

Venmax Drugs and Pharmaceuticals Limited
Notes forming part of the standalone financial statements

PARTICULARS	31.03.2018	31.03. 2017	01.04. 2016
12 Borrowings			
Current Borrowings			
Unsecured loans repayable on demand*			
- Loan from Directors	6,114,883	4,807,740	16,895,238
- Loan from Others	14,263,267	13,677,749	300,000
Total current borrowings	20,378,150	18,485,489	17,195,238
*These are interest free loans repayable on demand.			
13 Trade payables			
Current			
- Total outstanding dues of micro enterprises and small enterprises (refer note 39)	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	592,039	758,369	5,724,576
	592,039	758,369	5,724,576
14 Other financial liabilities			
Current			
Employee salaries payable	43,000	-	-
Audit fee payable	754,158	709,158	664,896
BSE expenses payable	-	-	237,830
Rent payable	3,000	-	-
	800,158	709,158	902,726
15 Other liabilities			
Current			
PF payable	61,914	61,914	61,914
ESI payable	17,097	17,097	17,097
VAT payable	-	61,050	60,950
	79,011	140,061	139,961

PARTICULARS	31.03.2018	31.03. 2017
16 Revenue from operations		
Revenue from sale of products	-	2,592,000
	-	2,592,000
17 Other income		
State Investment Subsidy	-	928,174
Write back of liabilities no longer required	-	320,445
18 Employee benefits expense		
Salaries, wages and bonus	516,000	607,500
staff welfare expenses	21,458	-
	537,458	607,500

Venmax Drugs and Pharmaceuticals Limited
Notes forming part of the standalone financial statements

PARTICULARS	31.03.2018	31.03. 2017
19 Other expenses		
BSE Expenses	287,518	230,336
Business promotion expenses	4,564	5,550
Professional charges	89,000	16,000
Printing & Stationery and Courier Charges	244,259	180,970
Advocate Expenses	30,000	94,500
Office Rent	36,000	36,000
Office maintenance	10,873	3,998
Depository Expenses	52,839	20,850
Travelling Expenses	92,272	217,056
Telephone Expenses	2,123	9,802
Repairs & Maintenance/Vehicle Maintenance	76,075	50,143
ROC expenses	22,800	85,117
Bank Charges	2,214	2,108
Share Transfer charges	75,000	58,725
Membership fee	-	3,812
Sundry debtors and capital advances Written off	-	4,593,926
Audit Fee	75,000	40,000
Interest On VAT	33,136	-
Other Expenses	696,738	53,389
Interest on chit liability	54,000	-
	1,884,411	5,702,282
20. Exceptional items		
Deferred tax assets written off	-	(8,448,224)
	-	(8,448,224)

21 Related party disclosures

a) The following table provides the name of the related party and the nature of its relationship with the Company:

Name of the parties	Relationship
N. V. Narender	Chairman and Managing Director

b) Details of all transactions with related parties during the year:

Particulars	31.03.18	31.03.17
i) Revenue from Goods sold	-	-
ii) Shares purchased/ transferred	-	-

*Does not include insurance, which is paid for the Company as a whole and gratuity and compensated absences as this is provided in the books of accounts on the basis of actuarial valuation for the Company as a whole and hence individual amount cannot be determined.

Venmax Drugs and Pharmaceuticals Limited
Notes forming part of the standalone financial statements

c) Details of balances receivable from and payable to related parties are as follows:

Particulars	31.03.18	31.03.17	31.03.16
I) Unsecured Loan:			
N. V. Narender	6,114,883	4,807,740	3,517,489

d) Terms and conditions of transactions with related parties:

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free.

22 Auditors' remuneration include:

Particulars	31.03.18	31.03.17	31.03.16
Statutory audit fee (including limited review)	75,000	40,000	40,000
Tax audit fee	-	-	-
Total/Other services	75,000	40,000	40,000

23 Dues to Micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2018 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Company has not received any claim for interest from any supplier.

Particulars	31.03.18	31.03.17	31.04.16
a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	Nil	Nil	Nil
b) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil	Nil
c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this MSMED Act	Nil	Nil	Nil
d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil	Nil
e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	Nil	Nil	Nil

Venmax Drugs and Pharmaceuticals Limited
Notes forming part of the standalone financial statements

24 Leases**Where the Company is a lessee:**

The Company has taken office premise under operating lease.

l) Amounts recognised in statement of profit and loss:

Particulars	31.03.18	31.03.17
Cancellable lease expense	36,000	36,000
Non - cancellable lease expense	-	-
Total	36,000	36,000

25 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity Shares.

The following table sets out the computation of basic and diluted earnings per share:

Particulars	31.03.2018	31.03.2017
Profit for the year attributable to equity share holders	(2,421,869)	(13,359,387)
Shares		
Weighted average number of equity shares outstanding during the year – basic	5,238,930	5,238,930
Weighted average number of equity shares outstanding during the year – diluted	5,238,930	5,238,930
Earnings per share		
Earnings per share of par value 10 – basic	(0.46)	(2.55)
Earnings per share of par value 10 – diluted	(0.46)	(2.55)

26 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include inventory, trade and other receivables, cash and cash equivalents and refundable deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as commodity risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits. The sensitivity analysis in the following sections relate to

the position as at March 31, 2018 and March 31, 2017. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of variable rate borrowings. The Company does not enter into any interest rate swaps.

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to Rs. 6,408,296 (March 31,2017: 6,408,296; April 1, 2016: 11,910,849). The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows:

Allowance for credit loss	31.03.2018	31.03.2017
Opening balance	6,408,296	6,408,296
Credit loss provided/ (reversed)	-	-
Closing balance	6,408,296	6,408,296

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

27 Capital management

The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.

For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.

The capital structure as of March 31, 2018, March 31, 2017 and April 1, 2016 was as follows:

Particulars	31.03.2018	31.03.2017	31.04.2016
Total equity attributable to the equity shareholders of the Company	(21,129,216)	(18,707,347)	(4,419,786)
As a percentage of total capital	28.13%	84.32%	-0.35%
Long term borrowings including current maturities	-	-	-
Short term borrowings	20,378,150	18,485,489	17,195,238
Total borrowings	20,378,150	18,485,489	17,195,238
As a percentage of total capital	-27.13%	-83.32%	1.34%
Total capital (equity and borrowings)	(751,066)	(221,858)	12,775,452

28 Explanation on transition to Ind AS

As stated in Note 2.1, these are the first standalone financial statements prepared in accordance with Ind AS. For the year ended March 31, 2017, the Company had prepared its standalone financial statements in accordance with Companies (Accounting Standards) Rules, 2006 notified under section 133 of the Act and other relevant provision of the Act ('Previous GAAP'). For the purpose of transition from Previous GAAP to Ind AS, the Company has followed the guidance prescribed under Ind AS 101-first time adoption of Indian Accounting Standards ('Ind AS-101'), with effect from April 1, 2016 ('transition date').

The accounting policies set out in Note 3 have been applied in preparing these standalone financial statements for the year ended March 31, 2018 including the comparative information for the year ended March 31, 2017 and the opening standalone Ind AS balance sheet on the date of transition i.e. April 1, 2016

In preparing its standalone Ind AS balance sheet as at April 1, 2016 and in presenting the comparative information for the year ended March 31, 2017, the Company has adjusted amounts reported previously in standalone financial statement prepared in accordance with the Previous GAAP. This note explains how the transition from Previous GAAP to Ind AS has affected the Company's financial position and financial performance.

A. Mandatory exceptions to retrospective application

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101 "First Time Adoption of Indian Accounting Standards":

1) Estimates: As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with the Previous GAAP unless there is objective evidence that those estimates were in error.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under Previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the standalone financial statements that were not required under the Previous GAAP are listed below:

- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost.

2) Classification and measurement of financial assets: Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

B. Optional exemptions from retrospective application

Ind AS 101 "First time Adoption of Indian Accounting Standards" permits Companies adopting Ind AS for the first time to take certain exemptions from the full retrospective application of Ind AS during the transition. The Company has accordingly on transition to Ind AS availed the following key exemptions:

1) Business combination: Ind AS 101, provides the option to apply Ind AS 103, Business Combinations ("Ind AS 103") prospectively from the transition date or from a specific date prior to the transition date. The Company has elected to apply Ind AS 103 from transition date. Accordingly, business combinations occurring prior to the transition date have not been restated.

C. The following reconciliation provide the effect of transition to Ind AS from Previous GAAP in accordance with Ind AS 101:

- (i) Reconciliation of total equity as at March 31, 2017 and April 1, 2016

Particulars	As at March 31, 2017	As at April 1, 2016
Equity as reported under previous GAAP	(12,299,050)	1,988,510
ECL on debtors	(6,408,296)	(6,408,296)
Equity reported under Ind AS	(18,707,346)	(4,419,786)

(ii) Effect of Ind AS Adoption on the statement of profit and loss for the year ended March 31, 2017

Particulars	Year ended March 31, 2017
Net Profit under previous GAAP	(13359386.5)
Net Profit under Ind AS	(13359386.5)
Other comprehensive income	-
Total comprehensive income under Ind AS	(13359386.5)

The standards issued, but not effective up to the date of issuance of the financial statements is disclosed below:

Ind AS 115 - Revenue from contracts with customers

In March 2018, the Ministry of Corporate Affairs has notified Ind AS 115, 'Revenue from Contracts with Customers', which is effective for accounting periods beginning on or after 1 April 2018. This comprehensive new standard will supersede existing revenue recognition guidance, and requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard also will result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

Ind AS 115 is effective for annual reporting periods beginning on or after April 1, 2018. The Company intends to adopt Ind AS 115 effective April 1, 2018, using the modified retrospective method. The adoption of Ind AS 115 is not expected to have a significant impact on the Company's recognition of revenues.

Other amendments to Indian Accounting Standards

The Ministry of Corporate Affairs (MCA), on 28 March 2018, issued certain amendments to Ind AS. The amendments relate to the following standards:

Ind AS 21, The Effects of Changes in Foreign Exchange Rates - The amendment lays down the principle regarding advance payment or receipt of consideration denominated or priced in foreign currency and recognition of non-monetary prepayment asset or deferred income liability.

Ind AS 12, Income Taxes - The amendment explains that determining temporary differences and estimating probable future taxable profit against which deductible temporary differences are assessed for utilization are two separate steps and the carrying amount of an asset is relevant only to determining temporary differences.

Ind AS 28, Investments in Associates and Joint Ventures - The amendment clarifies when a venture capital, mutual fund, unit trust or similar entities elect to initially recognize the investments in associates and joint ventures.

Ind AS 112, Disclosure of Interests in Other Entities – The amendment clarifies that disclosure requirements for interests in other entities also apply to interests that are classified as Held for sale or discontinued operations in accordance with Ind AS 105.

Ind AS 40, Investment Property - The amendment clarifies when a property should be transferred to / from investment property.

The amendments are effective 1 April 2018. The Company believes that the aforementioned amendments will not materially impact the financial position, performance or the cash flows of the Company.

30 Prior year comparatives

The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the current year's classification.

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date
for **G L N PRASAD & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 015176S/S200067

for and on behalf of the Board of Directors of
Venmax Drugs and Pharmaceuticals Limited

Ch. Ramakrishna
Partner
Membership No.: 226417

N. V. Narender
Chairman and Managing Director
DIN: 01641941

Dr. A. Ramakrishnaiah
Director
DIN: 01641977

Place: Hyderabad
Date: 28 May 2018

A. Venkateswarlu
Chief Financial Officer

CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE

(Pursuant to circulars no. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011)

To,
CIL Securities Limited
214, Raghav Ratna Towers
Chirag-ali-lane Abids,
Hyderabad-500 001

Dear Sir,

I/We shareholder (s) of Venmax Drugs and Pharmaceuticals Limited, agree to receive all notices and documents including the Annual Report, Notice for General Meetings and other Shareholders Communication in electronic mode (through email). I/We request you to kindly register my / our below mentioned email id in the Company's records for sending such communication through email.

Folio No. /DPID No.* and Client ID
No.*

*Applicable for members holding shares in electronic form.

Name of the Sole / First Shareholder: _____

Name of the Joint Shareholders (if any) _____

No. of Shares held : : _____

E-mail id for receipt of documents in : _____

Electronic mode: _____

Date:

Place:

Signature: _____

(Sole / First Shareholder)

Note:

1. Shareholders are requested to inform the Company's Registrar and Share Transfer Agent R&D CIL Securities Limited, as and when there is change in their registered email-id.
2. for shares held in demat form, shareholders are also requested to inform /update their email-ids to their respective Depository Participants.

Venmax Drugs and Pharmaceuticals Limited

Regd. Office: H.No.1-140, Rajeswari Ware House, Opposite to Sri Convention,
Kompally, Quthbullapur Hyderabad Rangareddi, Telangana- 500055.

Form No. MGT- 11

[Pursuant to Section 105(6) of the Companies Act,
2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

Name of the member(s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

I/ We, being the member (s) of

shares of the above named company, hereby appoint

Name:.....

E-mail Id:

Address:.....

Signature: or failing him

Name:.....

E-mail Id:.....

Address:.....

Signature: or failing him

Name:.....

E-mail

Address:.....

Signature: or failing him as my/ our proxy to
attend and vote (on a poll) for me/ us and on my/ our behalf at the 29th Annual General Meeting of
the Company, to be held on **Friday, September 28, 2018 at 3.00p.m IST at H.No.1-140, Rajeswari
Ware House, Opposite to Sri Convention, Kompally, Quthbullapur Hyderabad Rangareddi,
Telangana- 500055** and at any adjournment thereof in respect of such resolutions as are indicated
below:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018 and the Reports of the Board of Directors and Auditors thereon.
2. To Appoint a Director in the place of Mr. N.Krishnaiah (DIN: 07279009), who retires by rotation and being eligible, offers himself for re-appointment.
3. To approve the appointment of M/s. G L N PRASAD & CO LLP, Chartered Accountants as Statutory Auditors of the Company and authorizing the board to fix their remuneration.
4. To Approve the appointment of Mr. Rajkumar Rai (DIN: 00009207) as Managing Director of the Company.

Signed this..... day of 2018

Signature of shareholder.....

Signature of Proxy holder(s)

Note:

This form of proxy in order to be effective should be duly completed and deposited at Registered Office of the Company, not less than 48hours before the commencement of the Meeting

Venmax Drugs and Pharmaceuticals Limited

Regd. Office: H.No.1-140, Rajeswari Ware House, Opposite to Sri Convention,
Kompally, Quthbullapur Hyderabad Rangareddi, Telangana- 500055.
(To be handed over at entrance of the Meeting Venue)

ATTENDANCE SLIP

Folio No. DP. ID No./ Client ID

Name of the Member Signature

Name of Proxy Holder Signature

No. of share held

E-mail ID

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the 29th Annual General Meeting of the Company to be held on Friday, September 28, 2018 at 3.00 P.M IST. at H.No.1-140, Rajeswari Ware House, Opposite to Sri Convention, Kompally, Quthbullapur Hyderabad Rangareddi, Telangana- 500055.

1. Only Member/Proxy holder can attend the Meeting.
2. Member/Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting.

Note:

Please fill this Admission Slip and hand it over at the entrance. Shareholders who come to attend the meeting are requested to bring the copies of the Annual Report also with them. In terms of the requirements of the Secretarial Standard on General Meetings (SS-2) issued by the Institute of the Company Secretaries of India.

AGM VENUE:
H.No.1-140, Rajeswari Ware House,
Opposite to Sri Convention, Kompally, Quthbullapur,
Hyderabad Rangareddy, Telangana- 500055

ROUTE MAP



**PRINTED MATER
BOOK - POST**

If undelivered please return to :

VENMAX DRUGS AND PHARMACEUTICALS LIMITED

Reg. Office: H.No.1-140, Rajeswari Ware House, Opposite to Sri Convention,
Kompally, Quthbullapur Hyderabad Rangareddy, Telangana- 500055.