



# VENMAX

DRUGS AND PHARMACEUTICALS LIMITED.

venmax Drugs and Pharmaceuticals Ltd.  
H.No. 1-140, Rajeswari Ware House,  
Opposite to Sri Convention, Kompally,  
Quthbullapur, Hyderabad,  
Medchal Dist-500014, Telangana.  
E-mail: venmaxdrugs@gmail.com

To,

Date: 06.09.2019

BSE Limited  
P. J. Towers, Dalal Street  
Mumbai - 400 001

Dear Sir/ Madam,

Sub: Annual report for the year 2018-19  
Ref: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015

With reference to the subject cited, please find enclosed Annual report of the Company for the year 2018-19 pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as sent to the shareholders for the ensuing AGM to be held on 30.09.2019.

This is for the information and records of the exchange, please.

Thanking you.

Yours faithfully,  
For Venmax Drugs and Pharmaceuticals Limited

  
N. Venkat Narender  
Executive Director  
DIN: 01641941

Encl. as above

**30<sup>th</sup>**  
**ANNUAL REPORT**  
**2018-19**



**VENMAX**  
**DRUGS AND PHARMACEUTICALS LIMITED**

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# VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS:

Mr. Raj Kumar Rai : Managing Director [DIN: 00009207]  
Mr. N.V.Narender : Executive Director [DIN:01641941]  
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]

**CHIEF FINANCIAL OFFICER:** Mr. Ram Chandra Alladi

### REGISTERED OFFICE:

H.No.1-140, Rajeswari Ware House,  
Opposite to Sri Convention, Kompally, Quthbullapur,  
Hyderabad, Telangana- 500055  
Ph. No: 9550101503  
Email: venmaxdrugs@gmail.com  
Website: venmaxdrugs.com

**CORPORATE IDENTITY NUMBER:**L24230TG1988PLC009102

### STATUTORY AUDITORS:

NSVR & Associates LLP,  
Chartered Accountants,  
Hyderabad

### SECRETARIAL AUDITORS:

S S Reddy & Associates,  
Practicing Company Secretaries,  
Hyderabad

### AUDIT COMMITTEE:

Dr. A.Ramakrishnaiah - Chairman  
Mr. Rajkumar Rai - Member  
Ms. G.S.V.Divya Jyothi - Member

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## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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### **NOMINATION & REMUNERATION COMMITTEE:**

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

### **STAKEHOLDERS RELATIONSHIP COMMITTEE:**

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

### **REGISTRAR & SHARE TRANSFER AGENTS:**

*CIL Securities Ltd.*  
214, Raghavaratna Towers,  
Chirag Ali Lane,  
Hyderabad 500 001.  
Ph.No. (040)23202465/66612093,  
Fax.(040) 23203028

**LISTED AT** : BSE Limited  
**ISIN** : **INE154G01022**  
**WEBSITE** : [www.venmaxdrugs.com](http://www.venmaxdrugs.com)  
**INVESTOR E-MAIL ID** : [venmaxdrugs@gmail.com](mailto:venmaxdrugs@gmail.com)

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## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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### NOTICE

Notice is hereby given that the 30<sup>th</sup> Annual General Meeting of the Shareholders of **Venmax Drugs and Pharmaceuticals Limited** will be held on Monday, 30th day of September 2019 at 4.30 P.M. at registered office of the Company at H.No.1-140, Rajeswari Ware House, Opposite to Sri Convention, Kompally, Quthbullapur, Hyderabad- 500055, Telangana to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2019, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mr.N. Krishnaiah (DIN: 07279009), who retires by rotation and being eligible, offers himself for re-appointment.
3. TO APPOINT AUDITORS AND FIX THEIR REMUNERATION.

To consider and if though fit to pass with or without modification(s) 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, (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force), as may be applicable and pursuant to the recommendations of the Audit Committee, M/s. NSVR& Associates LLP Chartered Accountants, (ICAI Firm Registration Number 008801S) be and are hereby appointed as the Statutory Auditors of the Company, to hold office for a term of 5 (five) years, from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting of the Company to be held in the year 2024 on such remuneration plus service taxes, out-of-pocket expenses, etc. as may be mutually agreed upon by the Board of Directors and the Auditors”

“**FURTHER RESOLVED THAT** approval of the Company be and is hereby accorded to the Board of Directors of the Company (including any Committee thereof) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard.

**FOR VENMAX DRUGS AND PHARMACEUTICALS LIMITED**

Sd/-

**RAJ KUMAR RAI**  
**MANAGING DIRECTOR**  
**(DIN: 00009207)**

**PLACE: HYDERABAD**  
**DATE: 12.08.2019**

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## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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### NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument of Proxy in order to be effective shall be deposited at the Corporate Office of the Company by not less than 48 hours before the commencement of the Meeting.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.

2. Explanatory Statement in respect of item No.3 of the Ordinary business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 21.09.2019 to 30.09.2019 (Both days inclusive).
4. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
5. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
6. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
7. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.

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8. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents (M/s. **CIL Securities Ltd**)
9. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
10. With a view to using natural resources responsibly, we request shareholders to update their email address with their Depository Participants to enable the Company to send communications electronically.
11. Members holding shares in the same name under different ledger folios are requested to apply for consolidation of such folios and send the relevant share certificates to **CIL Securities Limited.**, Share Transfer Agents of the Company for their doing the needful.
12. Since securities of the Company are traded compulsorily in dematerialized form as per SEBI mandate, members holding shares in physical form are requested to get their shares dematerialized at the earliest.
13. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
14. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission /transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
15. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.

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16. Electronic copy of the Annual Report for 2018-2019 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2018-2019 is being sent in the permitted mode.
17. Members may also note that the Notice of the 30<sup>th</sup> Annual General Meeting and the Annual Report for 2018-2019 will also be available on the Company's website [www.venmaxdrugs.com](http://www.venmaxdrugs.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [venmaxdrugs@gmail.com](mailto:venmaxdrugs@gmail.com)
- 18. Voting through electronic means**
- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 27<sup>th</sup> September, 2019 at (9.00 a.m.) and ends on 29<sup>th</sup> September, 2019 at (5.00 p.m.). During this period



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members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20<sup>th</sup> September, 2019., may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The instructions for shareholders voting electronically are as under:

- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Click on Shareholders
- (iii) 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.
  - d. Next enter the Image Verification as displayed and Click on Login.
  - e. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - f. If you are a first time user follow the steps given below:

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	<b>For Members holding shares in Demat Form and Physical Form</b>
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"><li>• 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.</li><li>• 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 Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"><li>• If both 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 (iv).</li></ul>

- (iv) After entering these details appropriately, click on “SUBMIT” tab.
- (v) 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.
- (vi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (vii) Click on the EVSN for the relevant <Venmax Drugs and Pharmaceuticals Limited> on which you choose to vote.
- (viii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES

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or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (ix) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (x) 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.
- (xi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xiii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xiv) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xv) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a 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 linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

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- 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.
- (xvi) 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.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
19. M/s. S.S Reddy & Associates, Practicing Company Secretaries, have been appointed as the Scrutinizer to scrutinize the e-voting process.
  20. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the meeting.
  21. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.venmaxdrugs.com](http://www.venmaxdrugs.com) and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
  22. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a ‘Green Initiative in Corporate Governance’ and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company’s Registrar and Share Transfer Agents.

**FOR VENMAX DRUGS AND PHARMACEUTICALS LIMITED**

**Sd/-**

**RAJ KUMAR RAI  
MANAGING DIRECTOR  
(DIN: 00009207)**

**PLACE: HYDERABAD  
DATE: 12.08.2019**

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## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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### ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT

#### ITEM NO. 3:

This Explanatory statement is provided as per Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) 2015

It is proposed to appoint M/s. NSVR & Associates LLP., as Statutory Auditor of the Company at remuneration of Rs.50,000 p.a. plus GST.

**M/s NSVR & Associates LLP.**, was established as a firm with the Institute of Chartered Accountants of India.

Their services include Audit, Taxation (Both direct and indirect), Internal Financial Control Review, Convergence to IndAS Financial advisory, Business Modeling, Valuations, System Design, ERP and Management Support services

The firm consists of a team of 10 Chartered Accountants (8 partners and 2 employees), One cost accountant and 40 semi qualified Chartered Accountants.

They provide value-addition to the clients in all spheres of services and to this end they put in best efforts to understand, analyze and conclude on all the matters that impact your business.

M/s. **NSVR & Associates LLP.**, Chartered Accountants, have given their consent to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014. Accordingly, as per the said requirements of the Act, M/s. **NSVR & Associates LLP.**, Chartered Accountants (Firm Registration No. 008801S) are proposed to be appointed as auditors for a period of 5 years, commencing from the conclusion of this Annual General Meeting (AGM) until the conclusion of the 35<sup>th</sup> AGM, to the Members for their approval.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution. The Board of Directors recommends the Ordinary Resolution for approval of the Members.

**FOR VENMAX DRUGS AND PHARMACEUTICALS LIMITED**

Sd/-

**RAJ KUMAR RAI**  
**MANAGING DIRECTOR**  
**(DIN: 00009207)**

**PLACE: HYDERABAD**  
**DATE: 12.08.2019**

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# VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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## Board's Report

Dear members,

The Board of Directors hereby submits the report of the business and operations of your Company along with the audited financial statements, for the financial year ended March 31, 2019.

### 1. FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS STATE OF AFFAIRS:

The performance during the period ended 31<sup>st</sup> March, 2019 has been as under:

(Rs. In Lakhs)

Particulars	2018-2019	2017-2018
Total Income	15.55	0.00
Total Expenditure	39.56	24.22
Profit (Loss)Before Tax	(24.01)	(24.22)
Provision for Tax	--	--
Profit(Loss) after Tax	(24.01)	(24.22)
Other Comprehensive Income, Net of tax	--	--
Total Comprehensive Income	(24.01)	(24.22)
Balance Carried to Balance Sheet	(24.01)	(24.22)
Basic and Diluted Earnings	(0.46)	(0.46)

### REVIEW OF OPERATIONS:

The total revenue of the Company for the financial year under review was Rs. 15.55 lakhs as against Nil for the previous financial year. The company has incurred a net loss of Rs. 24.01 lakhs for the financial year 2018-19 as against the net loss of Rs. 24.22lakhs for the previous year.

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## **VENMAX DRUGS AND PHARMACEUTICALS LIMITED**

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### **2. MATERIAL CHANGES & COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There were no material changes and commitments affecting financial position of the company between 31st March, 2019 and the date of Board's Report. (I.e. 12.08.2019)

### **3. CHANGE IN THE NATURE OF THE BUSINESS, IF ANY:**

During the period under review and the date of Board's Report there was no change in the nature of Business.

### **4. DIVIDEND:**

The Directors have not recommended dividend for the year 2018-2019.

### **5. RESERVES:**

The Company has not carried any amount to the reserves.

### **6. BOARD MEETINGS:**

During the year, the Board of Directors duly met 6 (Six) times on 09.05.2018, 28.05.2018, 14.08.2018, 01.09.2018, 14.11.2018 and 14.02.2019 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

### **7. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

The Company has received declarations from Dr.A.Ramakrishnaiah and Ms. G.S.V.Divya Jyothi Independent directors of the company to the effect that they are meeting the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **8. APPOINTMENT / RE-APPOINTMENT / RESIGNATION / RETIREMENT OF DIRECTORS /CEO/ CFO AND KEY MANAGERIAL PERSONNEL**

- Mr. N.Krishnaiah is liable to retire by rotation, being eligible, offers himself for reappointment.
- As required under regulation 36 (3) of the SEBI (LODR), Regulations, 2015, brief particulars of the Director seeking re-appointment is given as under:-

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<b>Name of the Director</b>	N. Krishnaiah
<b>Date of Birth</b>	10.04.1988
<b>Qualification</b>	MBA
<b>Expertise in specific functional areas</b>	Administration
<b>Names of listed entities in which the person also holds the directorship and the membership of Committees of the board</b>	-
<b>No. of Shares held in the Company</b>	-
<b>Inter se relationship with any Director</b>	-

### 9. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Independent Directors are familiarized about the Company's operations and businesses. Interaction with the Business heads and key executives of the Company is also facilitated. Detailed presentations on important policies of the Company is also made to the directors. Direct meetings with the Chairman is further facilitated to familiarize the incumbent Director about the Company/its businesses and the group practices.

The policy relating to familiarization programmes to Independent Directors is available on the website of the Company.

### 10. COMMITTEES:

#### (I). AUDIT COMMITTEE:

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.



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## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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### A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:

- Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
- Reviewing with management the annual financial statements before submission to the Board, focusing on:
  - a. Any changes in accounting policies and practices;
  - b. Qualification in draft audit report;
  - c. Significant adjustments arising out of audit;
  - d. The going concern concept;
  - e. Compliance with accounting standards;
  - f. Compliance with stock exchange and legal requirements concerning financial statements and
  - g. Any related party transactions
- Reviewing the company's financial and risk management's policies.
- Disclosure of contingent liabilities.
- Reviewing with management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.

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- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing compliances as regards the Company's Whistle Blower Policy.

reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments

The Company has complied with all the requirements of the provisions of SEBI (LODR) Regulations, 2015 relating to the composition of the Audit Committee.

During the financial year 2018-19, (4) four meetings of the Audit Committee were held on 28.05.2018, 14.08.2018, 14.11.2018 and 14.02.2019

### **B. COMPOSITION OF THE COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Category</b>	<b>No of Meetings held</b>	<b>No. of meeting attended</b>
Dr. A.Ramakrishnaiah	Chairman	NED(I)	4	4
Mr. N.V Narender*	Member	ED	1	1
Ms. G.S.V.Divya Jyothi	Member	NED(I)	4	4
Mr. Rajkumar Rai**	Member	ED	3	3

\*resigned w.e.f. 09.05.2018

\*\*appointed w.e.f. 09.05.2018

**NED (I):** Non- Executive Independent Director

**ED:** Executive Director

**(ii). NOMINATION AND REMUNERATION COMMITTEE:**

**A. BRIEF DESCRIPTION OF TERMS OF REFERENCE**

- To approve the fixation/revision of remuneration of Executive Directors of the Company and while approving:
  - a. to take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
  - b. to bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.
- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and /or removal.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To recommend/review remuneration of the Managing Director and Whole-time Director(s) based on their performance and defined assessment criteria.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

**B. COMPOSITION OF THE COMMITTEE**

During the financial year 2018-19, (2) two meetings of the Nomination and Remuneration Committee were held on 09.05.2018 and 01.09.2018

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## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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Name	Designation	Category	No of Meetings held	No. of meeting attended
Dr. A.Ramakrishnaiah	Chairman	NED(I)	2	2
Mr. N Krishnaiah	Member	NED	2	2
Ms. G.S.V.Divya Jyothi	Member	NED(I)	2	2

NED (I): Non- Executive Independent Director

### C. REMUNERATION POLICY:

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered and individual performance.

#### POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE

##### 1. Scope:

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

##### 2. Terms and References:

- 2.1 "Director" means a director appointed to the Board of a Company.
- 2.2 "Nomination and Remuneration Committee means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.
- 2.3 "Independent Director" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 read with Regulation 16 (1) (b) of SEBI LODR Regulations, 2015)

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## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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### 3. Policy:

#### Qualifications and criteria

3.1.1 The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.

3.1.2 In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:

- General understanding of the company's business dynamics, global business and social perspective;
- Educational and professional background
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

3.1.3 The proposed appointee shall also fulfil the following requirements:

- shall possess a Director Identification Number;
- shall not be disqualified under the companies Act, 2013;
- shall endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
- shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
- shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the companies Act, 2013, Equity listing Agreements and other relevant laws.

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## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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- 3.1.4 The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.
- 3.2 Criteria of independence
- 3.2.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.
- 3.2.2 The criteria of independence shall be in accordance with guidelines as laid down in companies Act, 2013 and Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3.2.3 The independent Director shall abide by the "code for independent Directors "as specified in Schedule IV to the companies Act, 2013.
- 3.3 Other directorships/ committee memberships
- 3.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as director of the company. The NR Committee shall take into account the nature of and the time involved in a director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.
- 3.3.2 A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.
- 3.3.3 A Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.
- 3.3.4 A Director shall not be a member in more than 10 committees or act as chairman of more than 5 committee across all companies in which he holds directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all

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## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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other companies including private limited companies, foreign companies and companies under section 8 of the companies Act, 2013 shall be excluded.

Remuneration policy for Directors, key managerial personnel and other employees:

1. Scope:

1.1 This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the company.

2. Terms and Reference:

In this policy the following terms shall have the following meanings:

2.1 “Director” means a director appointed to the Board of the company.

2.2 “key managerial personnel” means

(i) The Chief Executive Officer or the managing director or the manager;

(ii) The company secretary;

(iii) The whole-time director;

(iv) The chief finance Officer; and

(v) Such other office as may be prescribed under the companies Act, 2013

2.3 “Nomination and Remuneration committee” means the committee constituted by Board in accordance with the provisions of section 178 of the companies Act, 2013 and Regulation 19 of SEBI LODR Regulations, 2015.

3. **Policy:**

3.1 Remuneration to Executive Director and key managerial personnel

3.1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall limit approved by the shareholders.

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## **VENMAX DRUGS AND PHARMACEUTICALS LIMITED**

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- 3.1.2 The Board on the recommendation of the (NR) committee shall also review and approve the remuneration payable to the key managerial personnel of the company.
- 3.1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:
- (i) Basic pay
  - (ii) Perquisites and Allowances
  - (iii) Commission (Applicable in case of Executive Directors)
  - (iv) Retrial benefits
  - (v) Annual performance Bonus
- 3.1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance Bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.
- 3.2 Remuneration to Non – Executive Directors
- 3.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders as per provisions of the companies act.
- 3.2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof.
- 3.3. Remuneration to other employees
- 3.3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

### **D. MECHANISM FOR EVALUATION OF THE BOARD**

Evaluation of all Board members is performed on an annual basis. The evaluation is performed by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual



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## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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Directors.

In line with Securities and Exchange Board of India Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004, dated January 5, 2017 and the Companies Amendment Act, 2017 the Company adopted the recommended criteria by Securities and Exchange Board of India.

The Directors were given six Forms for evaluation of the following:

- (i) Evaluation of Board;
- (ii) Evaluation of Committees of the Board;
- (iii) Evaluation of Independent Directors;
- (iv) Evaluation of Chairperson;
- (v) Evaluation of Non-Executive and Non-Independent Directors; and
- (vi) Evaluation of Managing Director.

The Directors were requested to give following ratings for each criteria:

1. Could do more to meet expectations;
2. Meets expectations; and
3. Exceeds expectations.

The Directors have sent the duly filled forms to Nomination & Remuneration committee. Based on the evaluation done by the Directors, the Committee has prepared a report and submitted the Evaluation Report. Based on the report, the Board of Directors has informed the rankings to each Director and also informed that the performance of Directors is satisfactory and they are recommended for continuation as Directors of the Company.

### **(III). STAKEHOLDERS RELATIONSHIP COMMITTEE:**

**A. COMPOSITION OF THE COMMITTEE:** The Details of composition of the Committee are given

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## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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Name	Designation	Category	No of Meetings held	No. of meeting attended
Ms. G.S.V.Divya Jyothi	Chairman	NED	Nil	Nil
Dr. A.Ramakrishnaiah	Member	NED(I)	Nil	Nil
Mr. N V Narender	Member	ED	Nil	Nil

NED (I): Non- Executive Independent Director

ED: Executive Director

### **B. NAME AND DESIGNATION OF COMPLIANCE OFFICER**

Mr Raj kumar Rai, Managing Director is the compliance officer of the Company.

### **C. DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2018-19**

During the financial year 2018-19, no complaints were received from the shareholders.

### **11. VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

Vigil Mechanism Policy has been established by the Company for directors and employees to report genuine concerns pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 . The same has been placed on the website of the Company.

### **12. DIRECTOR'S RESPONSIBILITY STATEMENT:**

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the

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## **VENMAX DRUGS AND PHARMACEUTICALS LIMITED**

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company for that period;

- © The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the annual accounts on a going concern basis; and
- (e) The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **13. INVESTOR EDUCATION AND PROTECTION FUND (IEPF):**

The Company is not required to transfer any amount pursuant to Section 125 of the Companies Act, 2013 and to the Rules made thereof to the IEPF.

### **14. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JOINT VENTURES:**

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

### **15. NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR:**

During the period under review, there are no companies who ceased or became the subsidiaries, joint ventures or associate companies.

### **16. EXTRACT OF ANNUAL RETURN:**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 annexed as a part of this Annual Report as Annexure I.

**17. STATUTORY AUDITORS**

M/s. G L N Prasad & Co., Statutory Auditors of the Company have given their resignation on 06.02.2019 and M/s. NSVR & Associates LLP., Chartered Accountants were appointed in place of M/s. G L N Prasad & Co for filling up of Casual Vacancy with effect from 06.02.2019

Your Board of Directors has recommended the appointment of M/s. NSVR & Associates LLP as Statutory Auditors based on the recommendation of the Audit Committee for a period of five years from the conclusion of this Annual General Meeting [AGM] till the conclusion of 35th AGM to the members for their approval at the forthcoming Annual general meeting.

**18. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT:**

There have been no frauds reported by the auditor's u/s 143(12).

**19. SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of managerial personnel) Rules 2014, the Board had appointed M/s.S.S Reddy & Associates, Practicing Company Secretary to undertake the secretarial audit of the Company for the year 2018-19. The report of the Secretarial Auditor is enclosed as Annexure II and forms part of this report.

**20. QUALIFICATIONS IN AUDIT REPORTS:**

Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made-

**(a) Statutory Auditors Report:**

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2019 and has noted that the same does not have any reservation, qualification or adverse remarks. However, the Board decided to further strengthen the existing system and procedures to meet all kinds of challenges and growth in the market expected in the coming years.

**(b) Secretarial Audit Report:**

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## **VENMAX DRUGS AND PHARMACEUTICALS LIMITED**

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The Board has duly reviewed the Secretarial Audit Report for the year ended March 31, 2018 on the Compliances according to the provisions of section 204 of the Companies Act 2013, and the same does not have any reservation, qualifications or adverse remarks except that The company does not have a functional website.

- The Company does not have a Company Secretary and
- Non-compliance of the advertisements in newspapers related to Financial results

### **Reply**

The Company has noted all the observations and is in the process of regularising the non-compliances.

## **21. DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

### **A. Conservation of Energy:**

Your Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.

### **B. Technology Absorption:**

Your Company has not undertaken any research and development activity for any manufacturing activity nor was any specific technology obtained from any external sources which needs to be absorbed or adapted.

### **C. Foreign Exchange Earnings and Out Go:**

Foreign Exchange Earnings: NIL

Foreign Exchange Outgo: Nil

## **22. PUBLIC DEPOSITS:**

The Company has not accepted any deposits falling within the meaning of Sec.73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014, during the financial year under review.

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## **VENMAX DRUGS AND PHARMACEUTICALS LIMITED**

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### **23. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant and material orders passed by the regulators /courts that would impact the going concern status of the Company and its future operations.

### **24. DISCLOSURE OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. The Company maintains appropriate system of internal control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorized use or disposition. Company policies, guidelines and procedures provide for adequate checks and balances, and are meant to ensure that all transactions are authorized, recorded and reported correctly.

During the period under review, there is no material or serious observations have been noticed for inefficiency or inadequacy of such controls.

### **25. INSURANCE:**

The Company does not have any major fixed assets and accordingly it is not required to take any insurance policy.

### **26. RISK MANAGEMENT POLICY:**

The Company follows a comprehensive system of Risk Management. The Company has adopted a procedure for assessment and minimization of probable risks. It ensures that all the risks are timely defined and mitigated in accordance with the well-structured risk management process.

### **27. SHARE CAPITAL**

The authorised share capital of the Company stands at Rs.8,00,00,000/- divided into 80,00,000 equity shares of Rs.10/- each.

The paid up share capital of the Company stands at Rs.5,23,89,300 /- divided into 52,38,930 equity shares of Rs.10/- each.

### **28. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

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## **VENMAX DRUGS AND PHARMACEUTICALS LIMITED**

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The Company has not given loans, Guarantees or made any investments during the year under review attracting the provisions of Section 186 of Companies Act, 2013.

### **29. CREDIT & GUARANTEE FACILITIES:**

The Company has not availed facilities of Credit and Guarantee during the year.

### **30. CORPORATE SOCIAL RESPONSIBILITY:**

Since the Company does not have the net worth of Rs. 500 Crores or more, or turnover of Rs. 1000 Crores or more, or a net profit of Rs. 5 Crores or more during the financial year, section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable and hence the Company need not adopt any Corporate Social Responsibility Policy.

### **31. RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered during the financial year were disclosed in form AOC-2 and is attached as Annexure which forms part of Annual report. There were no materially significant related party transactions made by the Company with the promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All related party transactions were placed before the Audit Committee/Board for approval. Prior approval of the Audit Committee was obtained for the transactions which are foreseen and are in repetitive in nature.

None of the Directors have any pecuniary relationship or transactions with the Company, except payments made to them in the form of remuneration, sitting fees etc.

The Company has not entered into any contracts/arrangements with related parties referred to Section 188(1) of the Companies Act, 2013 except certain arm length transaction during the year. Accordingly no disclosure or reporting is required covered under this Section.

### **32. DISCLOSURE ABOUT COST AUDIT:**

Cost Audit is not applicable to your Company.

**33. POLICIES**

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All the policies are available on our website ([www.venmaxdrugs.com](http://www.venmaxdrugs.com)). The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

**34. STATEMENT SHOWING THE NAMES OF THE TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN AND THE NAME OF EVERY EMPLOYEE AS PER RULE 5(2) & (3) OF THE COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014:**

A table containing the particulars in accordance with the provisions of Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as Annexure III to this Report.

A statement showing the names of the top ten employees in terms of remuneration drawn and the name of every employee is annexed to this Annual report.

During the year NONE of the employees is drawing a remuneration of Rs.1,02,00,000/- and above per annum or Rs.8,50,000/- and above in aggregate per month, the limits specified under the Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**35. RATIO OF REMUNERATION TO EACH DIRECTOR**

Under section 197(12) of the Companies Act, 2013, and Rule 5(1)(2) & (3) of the Companies (Appointment & Remuneration) Rules, 2014 read with Schedule V of the Companies Act, 2013 the ratio of remuneration of Mr. Raj Kumar Rai, Managing Director of the Company to the median remuneration of the employees is 3.125:1 and of Mr. N. V. Narender, Executive Director of the Company is 3.125:1.

**36. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:**

Since the paid-up capital of the Company is less than Rs. 10 Crores and Net worth of the Company is less than Rs. 25 Crores, Corporate Governance as mentioned in SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 are not applicable.



**37. SECRETARIAL STANDARDS:**

The Company is in compliance with the applicable secretarial standards.

**38. INDIAN ACCOUNTING STANDARDS**

The Ministry of Corporate Affairs vide its notification dated 16th February, 2015 has notified the Companies (Indian Accounting Standards) Rules, 2015. In pursuance of the said notification, the Company has adopted the Indian Accounting Standards with effect from 01st April, 2017. Accordingly, the Company has restated and reported the financials for the previous year as per Indian Accounting Standards.

**39. NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES**

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

**40. CEO/ CFO CERTIFICATION**

The Managing Director cum CEO and CFO certification of the financial statements for the year 2018-19 is annexed in this Annual Report.

**41. MECHANISM FOR EVALUATION OF THE BOARD**

Evaluation of all Board members is performed on an annual basis. The evaluation is performed by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

In line with Securities and Exchange Board of India Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004, dated January 5, 2017 and the Companies Amendment Act, 2017 the Company adopted the recommended criteria by Securities and Exchange Board of India.

**The Directors were given evaluation forms for the following:**

- (i) Evaluation of Board;
- (ii) Evaluation of Committees of the Board;
- (iii) Evaluation of Independent Directors;

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## **VENMAX DRUGS AND PHARMACEUTICALS LIMITED**

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- (iv) Evaluation of Chairperson;
- (v) Evaluation of Non-Executive and Non-Independent Directors; and
- (vi) Evaluation of Managing Director.

The Directors were requested to give following ratings for each criteria:

1. fair;
2. satisfactory; and
3. very satisfactory.

The Directors have sent the duly filled forms to Nomination & Remuneration committee. Based on the evaluation done by the Directors, the Committee has prepared a report and submitted the Evaluation Report. Based on the report, the Board of Directors has informed the rankings to each Director and also informed that the performance of Directors is satisfactory and they are recommended for continuation as Directors of the Company.

### **42. CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING**

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015 and Amended Regulations 2018. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading, is available on our website ([www.venmaxdrugs.com](http://www.venmaxdrugs.com))

### **43. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at workplace

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## **VENMAX DRUGS AND PHARMACEUTICALS LIMITED**

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(Prevention, Prohibition and Redressal ) Act, 2013.

The following is the summary of sexual harassment complaints received and disposed during the calendar year.

- No. of complaints received: Nil
- No. of complaints disposed off: Nil
- No. of complaints pending at the end of the year: Nil

#### **44. INTERNAL AUDIT:**

The Company has adequate internal controls consistent with the nature of business and size of the operations, to effectively provide for safety of its assets, reliability of financial transactions with adequate checks and balances, adherence to applicable statutes, accounting policies, approval procedures and to ensure optimum use of available resources. These systems are reviewed and improved on a regular basis. It has a comprehensive budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis.

**FOR VENMAX DRUGS AND PHARMACEUTICALS LIMITED**

<b>PLACE: HYDERABAD</b>	<b>Sd/-</b>	<b>SD/-</b>
<b>DATE: 12.08.2019</b>	<b>RAJ KUMAR RAI</b>	<b>N.V. NARENDER</b>
	<b>MANAGING DIRECTOR</b>	<b>EXECUTIVE DIRECTOR</b>
	<b>(DIN: 00009207)</b>	<b>(DIN: 01641941)</b>

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## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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### AOC-2

#### **Particulars of contracts / arrangements made with related parties [Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014]**

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

#### **1. Details of contracts or arrangements or transactions not at arm's length basis: NIL**

There are no contracts or arrangements or transactions not at arm's length basis.

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts / arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) Date(s) of approval by the Board
- (g) Amount paid as advances, if any:
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

#### **2. Details of contracts or arrangement or transactions at arm's length basis: NIL**

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts / arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
- (e) Date(s) of approval by the Board, if any:
- (f) Amount paid as advances, if any:

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## **VENMAX DRUGS AND PHARMACEUTICALS LIMITED**

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### **CERTIFICATE OF CODE OF CONDUCT FOR THE YEAR 2018-19**

The shareholders,

#### **Code of Conduct**

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company.

Certificate of Code of Conduct for the year 2018-19 as per Regulation 17(5) read with Regulation 34(3) Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Venmax Drugs and Pharmaceuticals Limited are committed for conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has adopted a "Code of Ethics and Business Conduct" which is applicable to all director, officers and employees.

I hereby certify that all the Board Members and Senior Management have affirmed the compliance with the Code of Ethics and Business Conduct, under a certificate of Code of Conduct for the year 2018-19.

#### **FOR VENMAX DRUGS AND PHARMACEUTICALS LIMITED**

<b>PLACE: HYDERABAD</b>	<b>Sd/-</b>	<b>SD/-</b>
<b>DATE: 12.08.2019</b>	<b>RAJ KUMAR RAI</b>	<b>N.V. NARENDER</b>
	<b>MANAGING DIRECTOR</b>	<b>EXECUTIVE DIRECTOR</b>
	<b>(DIN: 00009207)</b>	<b>(DIN: 01641941)</b>

# **VENMAX DRUGS AND PHARMACEUTICALS LIMITED**

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## **CERTIFICATE BY THE MANAGING DIRECTOR AND CFO OF THE COMPANY**

To

The Board of Directors

Venmax Drugs and Pharmaceuticals Limited

Dear Sirs,

As required under Regulation 17(8) read with Part B, Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we state that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2019 and to the best of our knowledge and belief;
  - a. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
  - b. These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which I was aware and the steps that I have taken or propose to take and rectify the identified deficiencies and
4. That we have informed the auditors and the audit committee of:
  - a) Significant changes in the internal control during the year;
  - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c) Instances of significant fraud of which we have become aware and the involvement of any employee having a significant role in the company's internal control system.

**FOR VENMAX DRUGS AND PHARMACEUTICALS LIMITED**

**Sd/-**

**RAJ KUMAR RAI**

**MANAGING DIRECTOR**

**(DIN: 00009207)**

**SD/-**

**N.V. NARENDER**

**EXECUTIVE DIRECTOR**

**(DIN: 01641941)**

**PLACE: HYDERABAD**

**DATE: 12.08.2019**

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## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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### DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

As per Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company hereby discloses the details of unpaid/unclaimed dividend and the respective share thereof as follows:

Aggregate No. of Shareholders and the outstanding shares in the suspense account at the beginning of the year.	No. of shareholders who approached the company for transfer of shares from suspense account during the year.	No. of shareholders to whom shares were transferred from suspense account during the year.	Aggregate No. of Shareholders and the outstanding shares in the suspense account at the end of the year.
NIL	NIL	NIL	NIL

**\*\* Voting Right on these shares shall remain frozen till the rightful owner of such shares claims the shares.**

# VENMAX DRUGS AND PHARMACEUTICALS LIMITED

## ANNEXURE I

### MGT 9

#### Extract of Annual Return

Ason the Financial Year 31.03.2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

<b>I. REGISTRATION AND OTHER DETAILS</b>					
i.	CIN	L24230TG1988PLC009102			
ii.	Registration Date	28/09/1988			
iii.	Name of the Company	Venmax Drugs And Pharmaceuticals Limited			
iv.	Category / Sub-Category of the Company	Company limited by shares/ Non-Government Company			
v.	Address of the Registered office and contact details	H.No.1-140, Rajeswari Ware House, Opposite to Sri Convention, Kompally, Quthbullapur, Hyderabad, Telangana- 500055 Ph. No: 9550101503 Email: venmaxdrugs@gmail.com			
vi.	Whether listed company Yes / No	Yes			
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	CIL Securities Ltd. 214, Raghavaratna Towers,Chirag Ali Lane, Hyderabad 500 001. Ph.No. (040)23202465/66612093, Fax.(040) 23203028			
<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:</b>					
All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-					
Sl. No.	Name and Description of main products /services	NIC Code of the Product / Service	% to total turnover of the company		
1	Manufacturing of Pharmaceutical Products	99625730	100		
<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>					
S.N	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Appliable Section
0	The Company does not have any subsidiaries				
<b>IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)</b>					



## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

1. <b>Category-wise Share Holding:-</b>									
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>1. Promoters</b>									
<b>1. Indian</b>									
Individual/ HUF	1020625	191400	1212025	23.13	1020625	191400	1212025	23.13	--
Central Govt	--	--	--	--	--	--	--	--	--
State Govt (s)	--	--	--	--	--	--	--	--	--
Bodies Corp.	--	--	--	--	--	--	--	--	--
Banks / FI	--	--	--	--	--	--	--	--	--
Any Other....	--	--	--	--	--	--	--	--	--
<b>Sub-total (A) (1) :-</b>	1020625	191400	1212025	23.13	1020625	191400	1212025	23.13	--
<b>(2) Foreign</b>									
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other – Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other....	--	--	--	--	--	--	--	--	--
<b>Sub-total(A) (2):-</b>	0	0	0	0	0	0	0	0	0
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	1020625	191400	1212025	23.13	1020625	191400	1212025	23.13	--

## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	7650	--	7650	0.15	7650	--	7650	0.15	
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Fund	--	--	--	--	--	--	--	--	--
i) Others(specify)	--	--	--	--	--	--	--	--	--
Sub-total (B)(1):-	7650	--	7650	0.15	7650	--	7650	0.15	--
<b>2. Non Institutions</b>									
a) Bodies Corp.	224660	104100	328760	6.28	221822	104100	325922	6.22	(0.06)
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakhs	554429	837450	1391879	26.57	566837	828680	1395517	26.64	0.07
ii) Individual shareholders holding nominal	1651282	377550	2028832	38.73	1651282	377550	2028832	38.73	--

## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

share capital in excess of Rs 1 lakhs									
c) Others (specify)	7084	262700	269784	5.15	7284	261700	268984	5.14	(0.01)
1.Clearing Members	600	--	600	0.01	800	--	800	0.02	0.01
2.NRI	6384	262700	269084	5.14	6384	261700	268084	5.12	(0.02)
3. Trust	100	--	100	0.00	100	--	100	0.00	--
Sub-total (B)(2):-	2437455	1581800	4019255	76.72	2447225	1572030	4019255	76.72	--
Total Public Shareholding (B)=(B)(1)+(B)(2)	2445105	1581800	4026905	76.87	2445105	1581800	4026905	76.87	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
<b>Grand Total (A+B+C)</b>	<b>3465730</b>	<b>1773200</b>	<b>5238930</b>	<b>100</b>	<b>3465730</b>	<b>1773200</b>	<b>5238930</b>	<b>100</b>	<b>--</b>

### (ii) Shareholding of Promoters

Sl. No	Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			%Change During the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1.	BANDA USHA	12250	0.23	--	12250	0.23	--	--
2.	VENKAT NARENDER NUKA	926775	17.69	--	926775	17.69	--	--

## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

3.	NARESH V	2500	0.05	--	2500	0.05	--	--
4.	SHAMRAO BANDA	6250	0.12	--	6250	0.12	--	--
5.	BHASKAR RAO KANAKABANDI	1500	0.03	--	1500	0.03	--	--
6.	SHERNAZ OMIM DEBARA	1250	0.02	--	1250	0.02	--	--
7.	N JYOTHI KIRAN	5000	0.1	--	5000	0.1	--	--
8.	N ACHUTA BAI	104250	1.99	--	104250	1.99	--	--
9.	T DEVASENA	2500	0.05	--	2500	0.05	--	--
10.	R PADMAVATAMMA	2500	0.05	--	2500	0.05	--	--
11.	J SIVA KUMAR	2500	0.05	--	2500	0.05	--	--
12.	M SRINIVAS REDDY	2500	0.05	--	2500	0.05	--	--
13.	D AMRUTAMMA	2500	0.05	--	2500	0.05	--	--
14.	K KONDANNA	2500	0.05	--	2500	0.05	--	--
15.	P N TATARAO	2500	0.05	--	2500	0.05	--	--
16.	K V PARTHASARATY	2500	0.05	--	2500	0.05	--	--
17.	N NIRMALA	2500	0.05	--	2500	0.05	--	--
18.	K VIJAYA	2500	0.05	--	2500	0.05	--	--
19.	NAND KUMAR MURARI	2500	0.05	--	2500	0.05	--	--
20.	MALATHI RAVI	2500	0.05	--	2500	0.05	--	--
21.	G MAHANANDI	2500	0.05	--	2500	0.05	--	--
22.	N SHANTAMMA	2500	0.05	--	2500	0.05	--	--

## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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23	D NARAYANA REDDY	2500	0.05	--	2500	0.05	--	--
24	GOPAL YADAV GUDAULA	2250	0.04	--	2250	0.04	--	--
25	GOPAL GADULA	2250	0.04	--	2250	0.04	--	--
26	PUJARI VENKATAIAH	200	0	--	200	0	--	--
27	K KOLLAPPA	2000	0.04	--	2000	0.04	--	--
28	G SAINNA	2000	0.04	--	2000	0.04	--	--
29	PETA BALAPPA	2000	0.04	--	2000	0.04	--	--
30	B SANTHAKUMAR REDDY	1750	0.03	--	1750	0.03	--	--
31	G NAGANNA	1650	0.03	--	1650	0.03	--	--
32	B PRASAD	1600	0.03	--	1600	0.03	--	--
33	UTTAM KISHINCHAND JETHWANEY	1550	0.03	--	1550	0.03	--	--
34	AMBATIPUDI UMAPATHY	1500	0.03	--	1500	0.03	--	--
35	BASAVA RAJ	1250	0.02	--	1250	0.02	--	--
36	JANGAYYAH	1250	0.02	--	1250	0.02	--	--
37	KURAVA VEERANNA	1250	0.02	--	1250	0.02	--	--
38	Y SAI RAM	1250	0.02	--	1250	0.02	--	--
39	CHANDRAKALA B M	1250	0.02	--	1250	0.02	--	--
40	K MALLAIAH	1250	0.02	--	1250	0.02	--	--
41	E NARSIMHULU	1250	0.02	--	1250	0.02	--	--

## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

42	KANAKABANDI BHASKARA RAO	1500	0.02	--	1500	0.02	--	--
43	KARNA RAMAMURTHY	1250	0.02	--	1250	0.02	--	--
44	PADMA RAGHUNATHAN	1250	0.02	--	1250	0.02	--	--
45	P RAJESHWARI	1250	0.02	--	1250	0.02	--	--
46	V CHANDRA MOULI	1250	0.02	--	1250	0.02	--	--
47	M P SREENIVASA RAO	1250	0.02	--	1250	0.02	--	--
48	ASHA SINGH	1250	0.02	--	1250	0.02	--	--
49	SREE RAMA REDDY	1250	0.02	--	1250	0.02	--	--
50	DAYANAND	1250	0.02	--	1250	0.02	--	--
51	SUKANYA MURARI SETTY	1250	0.02	--	1250	0.02	--	--
52	LINGAIH GUNDEBOINA	1250	0.02	--	1250	0.02	--	--
53	VENKATA SWARAJYA VIJAYA LAXMI BOLLINA	1250	0.02	--	1250	0.02	--	--
54	SATYANARAYAN REDDY K	1250	0.02	--	1250	0.02	--	--
55	ANASUYAMMA CHATAKONDA	1250	0.02	--	1250	0.02	--	--
56	SRINU K	1250	0.02	--	1250	0.02	--	--
57	SREENIVASA RAO V	1250	0.02	--	1250	0.02	--	--

## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

58	SAIVIAH SOMA	1250	0.02	--	1250	0.02	--	--
59	K SAROJINI DEVI	1250	0.02	--	1250	0.02	--	--
60	K KAMALA KUMARI	1250	0.02	--	1250	0.02	--	--
61	PADMANABHA REDDY P	1250	0.02	--	1250	0.02	--	--
62	G BALACHANDRA REDDY	1250	0.02	--	1250	0.02	--	--
63	A GOPAL REDDY	1250	0.02	--	1250	0.02	--	--
64	S SUBBI REDDY	1250	0.02	--	1250	0.02	--	--
65	Y SAMBASIVA REDDY	1250	0.02	--	1250	0.02	--	--
66	G SAI KUMAR REDDY	1250	0.02	--	1250	0.02	--	--
67	J VENKATA RAMANA REDDY	1250	0.02	--	1250	0.02	--	--
68	RAM REDDY	1250	0.02	--	1250	0.02	--	--
69	M NEELAKANTA REDDY	1250	0.02	--	1250	0.02	--	--
70	NAGIAIH	1250	0.02	--	1250	0.02	--	--
71	T TRIVENI	1250	0.02	--	1250	0.02	--	--
72	T TRIVENI	1250	0.02	--	1250	0.02	--	--
73	A VENKATASUBBAIAH	1250	0.02	--	1250	0.02	--	--
74	C CHALAMANAI DU	1250	0.02	--	1250	0.02	--	--
75	K MADHU SUDHAN	1250	0.02	--	1250	0.02	--	--
76	A RAMREDDY	1250	0.02	--	1250	0.02	--	--

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**VENMAX DRUGS AND PHARMACEUTICALS LIMITED**

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77	GOLLA PEDDANNA	1250	0.02	--	1250	0.02	--	--
78	S SAMBASIVA REDDY	1250	0.02	--	1250	0.02	--	--
79	V RAMADEVI	1250	0.02	--	1250	0.02	--	--
80	CH CHALAMA NAIDU	1250	0.02	--	1250	0.02	--	--
81	SHARAT KUMAR REDDY	1250	0.02	--	1250	0.02	--	--
82	SOMA TRIPURA	1250	0.02	--	1250	0.02	--	--
83	N NARASA REDDY	1250	0.02	--	1250	0.02	--	--
84	S KISTAIAH	1250	0.02	--	1250	0.02	--	--
85	HIMA BINDU	1250	0.02	--	1250	0.02	--	--
86	M NEELAKANTA REDDY	1250	0.02	--	1250	0.02	--	--
87	TIRUPATHI REDDY	1250	0.02	--	1250	0.02	--	--
88	RAMANA B	1250	0.02	--	1250	0.02	--	--
89	VENKATARAMA REDDY	1250	0.02	--	1250	0.02	--	--
90	RAVI SHANKAR	1250	0.02	--	1250	0.02	--	--
91	SITAIAH B	1250	0.02	--	1250	0.02	--	--
92	POORNA CHANDAR P	1250	0.02	--	1250	0.02	--	--
93	LAXMI PRASAD	1250	0.02	--	1250	0.02	--	--
94	VENKATESWARA RAO G	1250	0.02	--	1250	0.02	--	--
95	KISHTANNA	1250	0.02	--	1250	0.02	--	--



## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

96	K INDIRA	1000	0.02	--	1000	0.02	--	--
97	SRINIVASULU VEGENDLA	1000	0.02	--	1000	0.02	--	--
98	AISHU FINANCE LTD	850	0.02	--	850	0.02	--	--
99	SANGEETHA	100	0	--	100	0	--	--
10 0	NAGENDRA BABU S	750	0.01	--	750	0.01	--	--
10 1	G GOPAL YADAV	50	0	--	50	0	--	--
10 2	M NIRMALA	500	0.01	--	500	0.01	--	--
10 3	JONNADULA RAVINDRABABU	500	0.01	--	500	0.01	--	--
10 4	K CHAKRADHAR	5000	0.1	--	5000	0.1	--	--
10 5	G PADMAJA	5000	0.1	--	5000	0.1	--	--
10 6	MOHAN NAIDU CHOPPA	5000	0.1	--	5000	0.1	--	--

*(iii) Change In Promoters' Shareholding: No Change*

Sl. No	Shareholder's Name	Shareholding at the beginning of the year	Cumulative shareholding during the year
	NIL		

## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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

Sl. No.	Shareholder Name	Shareholding at the beginning of the year (01.04.2018)		Cumulative Shareholding during the year (31.03.2019)	
		No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	SANTOSH VIJAY VARGIYA	566361	10.81%	566361	10.81%
2	NITESH VIJAY VARGIYA	400000	7.64%	400000	7.64%
3	J MURALIDHARAN	200000	3.82%	200000	3.82%
4	ROSHAN FATEHCHAND SETHIA	120000	2.29%	120000	2.29%
5	KANAKABANDI VENKAT SUDHEER KUMAR	105800	2.02%	105800	2.02%
6	ASSET RECONSTRUCTION COMPANY (INDIA) LTD.	100000	1.91%	100000	1.91%
7	R JAGADISH KUMAR	100000	1.91%	100000	1.91%
8	DURGA DAIRY LIMITED	100000	1.91%	100000	1.91%
9	MUSTY PRABHAKAR	94000	1.79%	94000	1.79%
10	UMAPATHI VAVILALA	60000	1.15%	60000	1.15%

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	<b>Venkat Narender Nuka</b>				
	At the beginning of the year	926775	17.69	926775	17.69
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g.allotment / transfer /bonus/sweat equity etc):	-	-	-	-
	At the End of the year	-	-	926775	17.69

## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

<b>V. INDEBTEDNESS</b>				
<b>Indebtedness of the Company including interest outstanding/accrued but not due for payment</b>				
<b>Indebtedness at the beginning of the financial year</b>	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	-	20378150	-	20378150
ii) Interest due but not paid		-		-
iii) Interest accrued but not due		-		-
<b>Total (i+ii+iii)</b>		<b>20378150</b>		<b>20378150</b>
Change in Indebtedness during the financial year	-	-	-	-
1. Addition		2341374		2341374
2. Reduction		-		-
Net Change		2341374		2341374
<b>Indebtedness at the end of the financial year</b>	-	-	-	-
i) Principal Amount		22719524		22719524
ii) Interest due but not paid		-		-
iii) Interest accrued but not due		-		-
<b>Total (i+ii+iii)</b>		<b>22719524</b>		<b>22719524</b>
<b>VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>				
<i>A. Remuneration to Managing Director, Whole-time Directors and/or Manager:</i>				
Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Raj Kumar Rai (Managing Director)	N.V. Narender (Executive Director)	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	3,00,000	3,00,000	6,00,000
2.	Stock Option	-		
3.	Sweat Equity	-		
4.	Commission - as % of profit - Others, specify...	-		
5.	Others, please specify	-		
	<b>Total (A)</b>	<b>3,00,000</b>	<b>3,00,000</b>	<b>6,00,000</b>
	Ceiling as per the Act			
<b>3. Remuneration to other directors:</b>				

## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

Sl. no.	Particulars of Remuneration	Name of Director		Total	
				Amount	
		A. Ramakrishnaiah	GSV Divya Jyothi		
	3. Independent Directors	4000	4000	8000	
	1. Fee for attending board / committee meetings	-	-		
	2. Commission				
	3. Others, please specify				
	Total (1)	4000	4000	8000	
	4. Other Non-Executive Directors	-	-	-	
	1. Fee for attending board / committee meetings	-	-		
	2. commission				
	3. Others, please specify				
	Total (2)	-	-	-	
	Total (B)=(1+2)	-	-	8000	
	Total Managerial Remuneration			6,08,000	
	Overall Ceiling as per the Act				
<b>C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD</b>					
Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO (Ram Chandra Alladi)	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	1,20,000	1,20,000
2.	Stock Option	-	-	-	
3.	Sweat Equity	-	-	-	
4.	Commission - as % of profit - others, specify...	-	-	-	
5.	Others, please specify	-	-	-	
	Total	-	-	1,20,000	1,20,000
<b>VII Penalties/punishment/compounding of offences:NIL</b>					

## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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VII Penalties/punishment/compounding of offences: NIL					
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty	-		-	-	
Punishment	-	-	-	-	
Compounding	-	-	-	-	
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

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# VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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## ANNEXURE - II

### FORM MR-3

#### SECRETARIAL AUDIT REPORT

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

To,

The Members

Venmax Drugs and Pharmaceuticals Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Venmax Drugs and Pharmaceuticals Limited (hereinafter called "the Company"). Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minutes 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 financial year commencing from 1<sup>st</sup> April, 2018 and ended 31<sup>st</sup> March, 2019 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 herein after:

1. We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> of March, 2019 according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made there under;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

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## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment and External Commercial Borrowings;
2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT') is furnished hereunder for the financial year 2018-19:-
- i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Complied with yearly and event based disclosures, wherever applicable.**
  - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Amended Regulations 2018 Insider Trading Regulations; **The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure.**
  - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable as the company has not issued any shares during the year under review.**
  - iv. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable as the Company has not issued any Employee Stock Options during the year under review.**
  - v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2019; **Not Applicable as the Company has not issued any debt securities during the year under review.**
  - vi. 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 an Issue and Share Transfer Agent during the year under review. However, the company has CIL Securities Limited as its Share Transfer Agent.**
  - vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and SEBI (Delisting of Equity Shares) (Amendment) Regulations, 2018; **Not Applicable as the company has not delisted/ proposed to delist its equity shares during the year under review.**
  - viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.**
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## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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- ix. Other applicable laws include the following:
- a. Drugs and Cosmetics Act, 1940 and amendments thereto from time to time.
  - b. Drugs and Cosmetics Rules, 1945
  - c. Pharmacy Act, 1948
  - d. Narcotic Drugs and Psychotropic Substances Act, 1985
  - e. Patents Act, 1970
  - f. Essential Commodities Act, 1995
  - g. National Pharmaceutical Policy, 2012
  - h. Labour Laws (wages, bonus, provident fund, gratuity etc)
  - i. Environment Protection Act, 1986
  - j. The Payment of Gratuity Act, 1972
  - k. Employees Provident Fund and Miscellaneous Provisions Act, 1952
  - l. Employees State Insurance Act, 1948

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

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

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

- a) During the year the Company has conducted 6 meetings of the Board of Directors, 4 meetings of the Audit committee, 2 meetings of Nomination and Remuneration committee, and 1 meeting of Independent Directors. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company secretaries of India.
- b) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that



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## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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- (i) the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:
- External Commercial Borrowings were not attracted to the Company under the financial year under report;
  - Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;
  - Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.
- (ii) As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

**We further report that:**

- The Company has a CFO Ram Chandra Alladi.
- The Company has internal auditors namely Kavadapu & Associates, Chartered Accountants, Hyderabad.
- The company does not have a functional website.
- The Company does not have a Company Secretary as required under the Provisions of section 203 of the Companies Act, 2013 and Regulation 6 of the SEBI (LODR) Regulations, 2015.
- Non-compliance of the advertisements in newspapers as per regulation 47 of SEBI (LODR) Regulations, 2015.
- BSE 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.
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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 of board meeting is given to all the directors along with agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.

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## **VENMAX DRUGS AND PHARMACEUTICALS LIMITED**

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- As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
- We, further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

The compliance by the Company of applicable financial laws like Direct and Indirect tax laws has not been reviewed thoroughly in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

- We further report that during the year under report, the Company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**For S.S. Reddy & Associates**

**Sd/-**

**S. Sarveswar Reddy  
Proprietor**

**M. No. A12611, C.P. No: 7478**

**Place: Hyderabad  
Date: 12.08.2019**

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# VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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## Annexure A

To  
The Members of  
Venmax Drugs and Pharmaceuticals Limited

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 secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have relied on the reports given by the concerned professionals in verifying the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For S.S. Reddy & Associates**

**Sd/-**

**S. Sarveswar Reddy**

**Proprietor**

**M. No. A12611, C.P. No: 7478**

**Place: Hyderabad**

**Date: 12.08.2019**

# VENMAX DRUGS AND PHARMACEUTICALS LIMITED

## ANNEXURE III

### INFORMATION AS PER RULE 5(1) OF CHAPTER XIII, COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sl.No	Disclosure requirement	Disclosure Details	
i.	Ratio of Remuneration of each Director to the median remuneration of the employees of the Company for the financial year:	Managing Director, Whole-Time director	Ratio to median remuneration
		Raj Kumar Rai (managing Director)	3.125:1
		Nuka Venkat Narender (Executive Director)	3.125:1
ii.	Percentage increase in the remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year	Directors, CFO	% increase in remuneration in the financial year
		Nil	--
iii	<b>The percentage increase in the median remuneration of employees in the financial year</b>	Nil	
iv	<b>The number of employees on the rolls of the company</b>	11	
v	<b>Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and details if there are any exceptional circumstances for increase in the managerial remuneration</b>	Nil	
vi	<b>Affirmation that the remuneration is as per the remuneration policy of the company.</b>	I, Raj Kumar Rai, Managing Director of the Company hereby affirm that the Remuneration of the KMPs of the Company is as per the Remuneration Policy of the Company.	

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# VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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## INDEPENDENT AUDITOR'S REPORT

To the Members of VENMAX DRUGS AND PHARMACEUTICALS LIMITED

### Report on the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of **VENMAX DRUGS AND PHARMACEUTICALS LIMITED** (herein after referred to as 'the Company') which comprise the balance sheet as at 31 March 2019, the statement of profit and loss (including other comprehensive income), the cash flow statement and the statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as 'the standalone financial statements').

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors are responsible for the matters stated in section 134(5) of 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, changes in equity and cash flows of the Company in accordance with the Ind AS 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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We also communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, 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, the statement of cash flow and the statement of changes in equity 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 Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;
  - (e) on the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the director is disqualified as on 31 March 2019 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 B;
  - (g) with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as



## **VENMAX DRUGS AND PHARMACEUTICALS LIMITED**

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amended: In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid/provided any managerial remuneration during the period. Hence reporting under section 197(16) of the Act is not applicable to the Company; and

- (h) 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, to the best of our information and according to the explanations given to us we state that:
- (i) The company did not have any pending litigations against it.
  - (ii) The company did not have any long-term contract including derivative contract for which there were any material foreseeable losses.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For NSVR & Associates LLP  
Chartered Accountants  
FRN: 008801S/S200060

Suresh Gannamani  
Partner  
Membership No.: 226870

Date: 15.05.2019  
Place: Hyderabad

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## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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### Annexure - A to the Auditors' Report

(Referred to in paragraph 1 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:
    - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
    - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
    - (c) The Company does not have any immovable properties. Accordingly reporting under clause 3(i)(c) of the order is not applicable to the Company.
  - (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals. There were no material discrepancies noticed on physical verification during the year.
  - (iii) To the best of our knowledge and according to the information and explanations given to us, the Company has not granted any loans to entities covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, reporting under paragraph 3 (iii) of the Order is not applicable.
  - (iv) To the best of our knowledge and according to the information and explanations given to us, the Company has not made any investment or provided any guarantee or security in terms of provisions of section 185 and 186 of the Act. Hence reporting under paragraph 3 (iv) of the Order is not applicable.
  - (v) To the best of our knowledge and according to the information and explanations given to us, the Company has not accepted deposits from public and therefore, reporting under paragraph 3 (v) of the Order is not applicable
  - (vi) To the best of our knowledge and according to the information and explanations given to us, the Company is not required to maintain cost
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## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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records as prescribed by the Central Government under section 148(1) of the Act for the services rendered by the Company.

- (vii) To the best of our knowledge and 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) To the best of our knowledge and according to the information and explanations given to us, the Company has not taken any loans or borrowings from any financial institution, banks, government or has not issued any debentures. Hence reporting under paragraph 3 (viii) of the Order is not applicable to the Company.
- (ix) To the best of our knowledge and according to the information and explanations given to us, the Company has not raised monies by way of initial public offer or further public offer (including debt instruments) and term loans and hence reporting under paragraph 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) To the best of our knowledge 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

## **VENMAX DRUGS AND PHARMACEUTICALS LIMITED**

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) To the best of our knowledge 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 thus provisions of section 192 of the Companies Act, 2013 are not applicable to the Company. Hence reporting under paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45 -IA of the Reserve Bank of India Act 1934.

For NSVR & Associates LLP  
Chartered Accountants  
FRN: 008801S/S200060

Suresh Gannamani  
Partner  
Membership No.: 226870

Date: 15.05.2019  
Place: Hyderabad

**ANNEXURE “B” TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2(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, 2019 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

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## **VENMAX DRUGS AND PHARMACEUTICALS LIMITED**

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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.

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## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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### 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, 2019, 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 NSVR & Associates LLP  
Chartered Accountants  
FRN: 008801S/S200060

Suresh Gannamani  
Partner  
Membership No.: 226870

Date: 15.05.2019  
Place: Hyderabad

# VENMAX DRUGS AND PHARMACEUTICALS LIMITED

## Standalone Balance Sheet

(All amounts in Indian Rupees, except share data and where otherwise stated)

	Note	As at 31 March 2019	As at 31 March 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Tangible Assets	4	1,134,902	-
Intangible Assets			
Financial assets			
Investments	5	-	-
Loans	6	-	-
Deferred tax assets, net	7	27,665	-
		<b>1,162,567</b>	<b>-</b>
<b>Current assets</b>			
Inventory		1,054,070	-
Financial assets			
Trade receivables	8	22,172	-
Cash and cash equivalents	9	38,446	37,425
Current tax assets		670,288	374,570
Other current assets	10	383,145	308,148
		<b>2,168,121</b>	<b>720,143</b>
<b>Total assets</b>		<b>3,330,688</b>	<b>720,143</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	11	52,389,300	52,389,300
Other equity	12	(75,891,694)	(73,518,516)
<b>Total equity</b>		<b>(23,502,394)</b>	<b>(21,129,216)</b>
<b>Current liabilities</b>			
Financial Liabilities			
Borrowings	13	22,419,524	20,378,150
Trade payables	14	3,114,891	592,039
Other financial liabilities	15	1,163,158	754,158
Other current liabilities	16	135,512	79,012
<b>Total liabilities</b>		<b>26,833,085</b>	<b>21,803,359</b>
<b>Total equity and liabilities</b>		<b>3,330,688</b>	<b>720,143</b>
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 NSVR & Associates LLP  
Chartered Accountants  
ICAI Firm Registration  
Number: 008801S/S200060

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

Suresh Gannamani  
Partner  
Membership No.: 226870

Sd/-  
N. V. Narender  
Executive Director  
DIN: 01641941

Sd/-  
Raj Kumar Rai  
Managing Director  
DIN: 00009207

Place: Hyderabad  
Date: 15 May 2019

Sd/-  
A. Ramachandraiah  
Chief Financial Officer



# VENMAX DRUGS AND PHARMACEUTICALS LIMITED

## Standalone Statement of Profit and Loss

(All amounts in Indian Rupees, except share data and where otherwise stated)

	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations	17	1,513,318	-
Other income	18	41,665	-
<b>Total income</b>		<b>1,554,983</b>	<b>-</b>
<b>Expenses</b>			
Purchases		1,976,167	-
Changes In Inventory		(1,054,070)	-
Employee benefits expense	19	1,012,120	537,458
Finance Charges	20	-	-
Depreciation	21	54,768	-
Other expenses	22	1,966,841	1,884,411
<b>Total expense</b>		<b>3,955,826</b>	<b>2,421,869</b>
<b>Profit before tax and exceptional items</b>		<b>(2,400,844)</b>	<b>(2,421,869)</b>
Exceptional items	23	-	-
<b>Profit before tax</b>		<b>(2,400,844)</b>	<b>(2,421,869)</b>
<b>Tax expenses</b>			
Current tax		-	-
Deferred tax		(27,665)	-
<b>Total tax expense</b>		<b>(27,665)</b>	<b>-</b>
<b>Profit for the year</b>		<b>(2,373,178)</b>	<b>(2,421,869)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Re-measurement gains/ (losses) on defined benefit plan		-	-
Income-tax effect		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(2,373,178)</b>	<b>(2,421,869)</b>
<b>Earnings per equity share (nominal value of INR 4) in INR</b>	28		
Basic		(0.45)	(0.46)
Diluted		(0.45)	(0.46)
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  
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A. Ramachandraiah  
Chief Financial Officer

# VENMAX DRUGS AND PHARMACEUTICALS LIMITED

## Standalone Statement of Cash Flows

(All amounts in Indian Rupees, except share data and where otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Operating activities</b>		
<b>Profit before tax</b>	<b>(2,400,844)</b>	<b>(2,421,869)</b>
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation of tangible assets	54,768	-
Amortisation of intangible assets	-	-
Finance income (including fair value change in financial instruments)	(41,665)	-
Finance costs (including fair value change in financial instruments)	-	-
Writtenoff of interest	-	-
Provision for doubtful debts, net	-	-
Provision for doubtful advances, net	-	-
<i>Working capital adjustments:</i>		
(Increase)/ decrease in Inventory	(1,054,070)	-
(Increase)/ decrease in trade receivables	(22,172)	-
(Increase)/ decrease in other current assets	-	-
(Increase)/ decrease in loans	-	-
(Increase)/ decrease in Deferred tax asset	-	-
Increase/ (decrease) in trade payables and other financial liabilities	2,522,852	(166,300)
Increase/ (decrease) in provisions	56,500	(61,051)
Increase/ (decrease) in other financial liabilities	409,000	91,000
	<b>(475,631)</b>	<b>(2,558,220)</b>
Income tax paid	-	-
<b>Net cash flows from operating activities</b>	<b>(475,631)</b>	<b>(2,421,869)</b>
<b>Investing activities</b>		
Investing in property, plant and equipment (including capital work in progress)	(1,189,670)	-
(Investments in)/ redemption of bank deposits (having original maturity of more than three months) - net	-	-
Interest received (finance income)	41,665	-
<b>Net cash flows used in investing activities</b>	<b>(1,148,005)</b>	<b>-</b>
<b>Financing activities</b>		
Proceeds / (repayment) from long term borrowings, net	1,624,657	1,892,661
Proceeds / (repayment) from short term borrowings, net	-	-
(Increase)/ decrease in Non current assets	-	696,738
Interest paid	-	-
<b>Net cash flows from/ (used in) financing activities</b>	<b>1,624,657</b>	<b>2,589,399</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>1,021</b>	<b>31,149</b>
Cash and cash equivalents at the beginning of the year	37,425	6,276
<b>Cash and cash equivalents at the end of the year</b>	<b>38,446</b>	<b>37,425</b>
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  
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ICAI Firm Registration  
Number: 008801S/S200060

Suresh Gannamani  
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Managing Director  
DIN: 00009207

Sd/-  
A. Ramachandraiah  
Chief Financial Officer

# VENMAX DRUGS AND PHARMACEUTICALS LIMITED

a. Equity Share Capital	No. of shares	Amount(Rs.)
Balance as at April , 1 2018	5,238,930	52,389,300
Balance as at March 31, 2019	5,238,930	52,389,300

## b. Other equity

Particulars	Reserves and Surplus			Total
	Securities premium	State Investment subsidy	Retained earnings	
<b>At April 1, 2018</b>	7,303,200	-	(80,821,716)	(73,518,516)
Profit for the year			(2,373,178)	(2,373,178)
<b>Other comprehensive income</b>				
Re-measurement gains/ (losses) on defined benefit plans, net of tax			-	-
Income-tax effect	-		-	
<b>Balance as of 31 March 2019</b>	7,303,200	-	(83,194,894)	(75,891,694)

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 NSVR & Associates LLP  
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Number: 008801S/S200060

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# VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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## 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

These standalone financial statements as at and for the period ended March 31, 2019 have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

### 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;

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## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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- 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

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## **VENMAX DRUGS AND PHARMACEUTICALS LIMITED**

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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

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## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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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

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## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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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 taxThe Company has not created any deferred tax provision. Deferred tax provision will be recognised based on the reasonable certainty.

### 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

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## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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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.

### 3.10 Intangible assets and amortisation

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.

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## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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

### 3.11 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.

### 3.12 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.

### 3.13 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.

### 3.14 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

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## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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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.

### **3.15 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

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## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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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.

### **3.16 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.

### **3.17 Contingent liabilities & contingent assets**

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## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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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.

### **3.18 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

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## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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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

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## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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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.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

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## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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Financial liabilities: Classification, Subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

### c. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

#### Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit

### 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



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## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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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).

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## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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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

## NOTE -4 FIXED ASSETS

Description	Rate of Depreciation	Method of Depreciation	Gross Block at cost				Accumulated Depreciation				Net Block	
			As at 01.04. 2018	Additions	Deletions	As at 31st March 2019	As at 31st March 2018	Depreciation for the year	Deductions/ Adjustments	As at 31st March 2019	As at 31st March 2019	As at 31st March 2018
<b>Tangible Assets</b>												
Computers	31.67%	Straight Line Method	-	72,839	-	72,839	-	12,907	-	12,907	59,932	-
Furniture	9.5%	Straight Line Method	-	754,167	-	754,167	-	24,341	-	24,341	729,846	-
Intangible Assets	9.50%	Straight Line Method	-	362,644	-	362,644	-	17,521	-	17,521	345,123	-
<b>Total</b>			-	<b>1,189,670</b>	-	<b>1,189,670</b>	-	<b>54,768</b>	-	<b>54,768</b>	<b>1,134,902</b>	-

As per our report of even date  
for NSVR & Associates LLP  
Chartered Accountants  
ICAI Firm Registration  
Number: 008801S/S200060

Suresh Gannamani  
Partner  
Membership No.: 226870

Place: Hyderabad  
Date: 15 May 2019

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

Sd/-  
N. V. Narendar  
Executive Director  
DIN: 01641941

Sd/-  
Raj Kumar Rai  
Managing Director  
DIN: 00009207

Sd/-  
A. Ramachandraiah  
Chief Financial Officer

# VENMAX DRUGS AND PHARMACEUTICALS LIMITED

## Notes forming part of the standalone financial statements

	31 March 2019	31 March 2018
<b>5 Investments</b>		
<b>Non-current investments</b>		
<i>Investments carried at fair value</i>		
<i>Unquoted equity shares</i>		
<i>Investments in subsidiaries</i>		
Nil (March 31, 2019: Nil; April 1, 2018: 5,846) equity shares of 10 each in PETL	-	-
<b>Total investments</b>	-	-
<b>6 Loans (Unsecured, considered good unless otherwise stated)</b>		
	<b>31 March 2019</b>	<b>31 March 2018</b>
<b>Non-current</b>		
Security deposits	-	696,738
	-	<b>696,738</b>
<b>7 Deferred tax asset</b>		
	<b>31 March 2019</b>	<b>31 March 2018</b>
Deferred tax asset on		
- Tangible and Intangible assets	27,665	-
<b>Deferred tax asset, net</b>	<b>27,665</b>	-
<b>8 Trade receivables</b>		
	<b>31 March 2019</b>	<b>31 March 2018</b>
Unsecured, considered good	22,172	6,408,296
	<b>22,172</b>	<b>6,408,296</b>
Less: Allowance for doubtful receivables	-	6,408,296
<b>Total trade receivables</b>	<b>22,172</b>	-
<b>9 Cash and cash equivalents</b>		
	<b>31 March 2019</b>	<b>31 March 2018</b>
Balances with banks:		
- On current accounts	20,754	1,302
Cash on hand	17,692	4,974
<b>Total cash and cash equivalents</b>	<b>38,446</b>	<b>6,276</b>
<b>10 Other assets</b>		
	<b>31 March 2019</b>	<b>31 March 2018</b>
<b>Current assets</b>		
<i>Unsecured, considered good</i>		
Advances other than capital advances		
Advance for expenses	383,145	308,148
Current tax assets	670,288	-
	<b>1,053,433</b>	<b>308,148</b>

# VENMAX DRUGS AND PHARMACEUTICALS LIMITED

## 11 Share Capital

	31 March 2019	31 March 2018	31 March 2017
<b>Authorised Share Capital</b>			
8,000,000 (March 31, 2019: 8,000,000; April 1, 2018: 8,000,000) equity shares of Rs.10/- each	80,000,000	80,000,000	80,000,000
<b>Issued, subscribed and fully paid-up</b>			
5,238,930 (March 31, 2019: 5,238,930; April 1, 2018: 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

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

Particulars	31 March 2019		31 March 2018	
	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 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 2019		31 March 2018	
	No. of equity shares held	% holding in the class	No. of equity shares held	% holding in the class
NV Narendar	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%

## 12 Other equity

	31 March 2019	31 March 2018
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	-	-
Less: Transfer to retained earnings	-	-
Closing balance	-	-
Retained earnings		
Opening balance	(80,821,716)	(78,399,847)
Profit/(loss) for the year	(2,373,178)	(2,421,869)
Other comprehensive income	-	-
Less: Transfers to general reserve	-	-
Closing balance	(83,194,894)	(80,821,716)
<b>Total other equity</b>	<b>(75,891,694)</b>	<b>(73,518,516)</b>

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

13 Borrowings	31 March 2019	31 March 2018
<b>Current Borrowings</b>		
<b>Unsecured loans repayable on demand*</b>		
- Loan from Directors	22,419,524	20,378,150
- Loan from Others	-	-
<b>Total current borrowings</b>	<b>22,419,524</b>	<b>20,378,150</b>

\*These are interest free loans repayable on demand.

14 Trade payables	31 March 2019	31 March 2018
<b>Current</b>		
- Total outstanding dues of micro enterprises and small enterprises (refer note 39)	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	3,114,891	592,039
	<b>3,114,891</b>	<b>592,039</b>

15 Other financial liabilities	31 March 2019	31 March 2018
<b>Current</b>		
Audit fee payable	50,000	754,158
BSE expenses payable	290,000	-
Rent payable	3,000	-
Professional Fee Payable	66,000	-
Other outstanding Liabilities	754,158	-
	<b>1,163,158</b>	<b>754,158</b>

16 Other liabilities	31 March 2019	31 March 2018
<b>Current</b>		
Employee salaries payable	43,000	-
PF payable	61,914	61,914
ESI payable	17,097	17,097
TDS Payable	13,500	-
	<b>135,511</b>	<b>79,011</b>

## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

17 Revenue from operations	31 March 2019	31 March 2018
Revenue from sale of products	1,513,318	-
	<u>1,513,318</u>	<u>-</u>
18 Other income	31 March 2019	31 March 2018
State Investment Subsidy	-	-
Write back of liabilities no longer required	-	-
Interest Income	41,665	-
	<u>41,665</u>	<u>-</u>
19 Employee benefits expense	31 March 2019	31 March 2018
Salaries, wages and bonus	1,009,050	
Staff welfare expenses	3,070	537,458
	<u>1,012,120</u>	<u>558,916</u>
20 Finance Charges	31 March 2019	31 March 2018
Interest Expenses	-	-
	<u>-</u>	<u>-</u>
21 Depreciation and Amortisation	31 March 2019	31 March 2018
Depreciation and Amortisation	54,768	-
	<u>54,768</u>	<u>-</u>

## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

### 22 Other expenses

	31 March 2019	31 March 2018
BSE Expenses	290,000	287,518
Depository Expenses	43,950	52,839
Customs Filing Fee	7,500	-
Share Transfer charges	75,000	75,000
Business promotion expenses	-	4,564
Comission	30,000	-
Professional charges	16,500	89,000
Printing & Stationery and Courier Charges	283,074	244,259
Advocate Expenses	23,000	30,000
Office Rent	686,500	36,000
Office maintenance	190,791	10,873
Travelling Expenses	3,000	92,272
Telephone Expenses	6,000	2,123
Repairs & Maintenance/Vehicle Maintenance	7,923	76,075
ROC Filing Expenses and Professional Fee	99,000	22,800
Rates and Taxes	15,000	-
Bank Charges	379	2,214
Audit Fee	50,000	75,000
Interest On VAT	-	33,136
Gst Late Fee	50	-
General Expenses	58,624	696,738
Interest on chit liability	-	54,000
Fuel Expenses	72,495	-
Lodging & Boarding	8,055	-
	<u>1,966,841</u>	<u>1,884,411</u>

### 23 Exceptional items

	31 March 2019	31 March 2018
Deferred tax assets written off	-	-
	<u>-</u>	<u>-</u>



## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

### 24 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	Executive Director
Raj Kumar	Managing Director
Rama Krishnaiah Appanaboyana	Director
G Satya Venkata Divya Jyothi	Director
N Krishnaiah	Director
A Ram Chandra	Chief Financial Officer

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

Particulars	31-Mar-19	31-Mar-18
I) Revenue from Goods sold	-	-
vii) Managerial remuneration/ consultancy fee to Key managerial personnel	-	-

\*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.

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

Particulars	As at 31-Mar-19	As at 31-Mar-18
<b>I) Unsecured Loan:</b>		
N. V. Narender	6,806,257	6,114,883
Raj Kumar	1,700,000	50,000

## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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### 25 Auditors' remuneration include:

Particulars	31-Mar-19	31-Mar-18
Statutory audit fee (including limited review)	50,000	75,000
Tax audit fee	-	-
TotalOther services	50,000	75,000

### 26 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, 2019 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-Mar-19	31-Mar-18
a)	the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	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
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

## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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### 27 Leases

Where the Company is a lessee:

The Company has taken office premise under operating lease.

i) Amounts recognised in statement of profit and loss:

Particulars	31-Mar-19	31-Mar-18
Cancellable lease expense	-	36,000
Non - cancellable lease expense	-	-
<b>Total</b>	-	<b>36,000</b>

### 28 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-Mar-19	31-Mar-18
Profit for the year attributable to equity share holders	(2,373,178)	(2,421,869)
<b>Shares</b>		
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
<b>Earnings per share</b>		
Earnings per share of par value 10 – basic	(0.45)	(0.46)
Earnings per share of par value 10 – diluted	(0.45)	(0.46)

**29 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, 2019 and March 31, 2018. 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:

## VENMAX DRUGS AND PHARMACEUTICALS LIMITED

Particulars	31-Mar-19	31-Mar-18
Allowance for credit loss		
Opening balance	6,408,296	6,408,296
Credit loss provided/ (reversed)	-	-
<b>Closing balance</b>	<b>6,408,296</b>	<b>6,408,296</b>

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.

### 30 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, 2019 and March 31, 2018 was as follows:

Particulars	31-Mar-19	31-Mar-18
Total equity attributable to the equity shareholders of the Company	(23,502,394)	(21,129,216)
As a percentage of total capital	31%	28.13%
Long term borrowings including current maturities	-	-
Short term borrowings	22,419,524	20,378,150
Total borrowings	22,419,524	20,378,150
As a percentage of total capital	-29.85%	-27.13%
<b>Total capital (equity and borrowings)</b>	<b>(1,082,870)</b>	<b>(751,066)</b>

As per our report of even date for NSVR & Associates LLP Chartered Accountants ICAI Firm Registration Number: 008801S/S200060

Suresh Gannamani  
Partner  
Membership No.: 226870

Place: Hyderabad  
Date: 15 May 2019

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

Sd/-  
N. V. Narendar  
Executive Director  
DIN: 01641941

Sd/-  
Raj Kumar Rai  
Managing Director  
DIN: 00009207

Sd/-  
A. Ramachandraiah  
Chief Financial Officer

**VENMAX DRUGS AND PHARMACEUTICALS LIMITED**

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Form No. MGT-11  
**Proxy form**

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

CIN: L24230TG1988PLC009102  
Name of the company: VENMAX DRUGS AND PHARMACEUTICALS LIMITED  
Registered office: H.No.1-140, Rajeswari Ware House,  
Opposite to Sri Convention, Kompally, Quthbullapur,  
Hyderabad, Telangana- 500055

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

1. Name: .....  
Address:  
E-mail Id:  
Signature: ....., or failing him

2. Name: .....  
Address:  
E-mail Id:  
Signature: .....

2. Name: .....  
Address:  
E-mail Id:  
Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held on Monday, 30th day of September, 2019 at 4:30 p.m. at the registered office of the company at H.No.1-140, Rajeswari Ware House, Opposite to Sri Convention, Kompally, Quthbullapur, Hyderabad, Telangana- 500055 and at any adjourned meeting thereof in respect of such resolutions as are indicated below:

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**VENMAX DRUGS AND PHARMACEUTICALS LIMITED**

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**Resolution:**

1. Approval of financial statements for the year ended 31.03.2019.
2. Appointment of Mr. N. Krishnaia has Director of the Company who retires by rotation.
3. To appoint auditors and fix their remuneration

Signed this ..... day of..... 2019

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 the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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VENMAX DRUGS AND PHARMACEUTICALS LIMITED  
H.No.1-140, Rajeswari Ware House,  
Opposite to Sri Convention, Kompally, Quthbullapur,  
Hyderabad, Telangana- 500055

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**Hyderabad ATTENDANCE SLIP**  
(Please present this slip at the Meeting venue)

I hereby record my presence for the Monday, 30th day of September, 2019 at 4:30 p.m. at the registered office of the company at H.No.1-140, Rajeswari Ware House, Opposite to Sri Convention, Kompally, Quthbullapur, Hyderabad, Telangana- 500055 and at any adjourned meeting thereof.

Shareholders/Proxy's Signature \_\_\_\_\_

Shareholders/Proxy's full name \_\_\_\_\_  
(In block letters)

Folio No./ Client ID \_\_\_\_\_

No. of shares held \_\_\_\_\_

**Note:**

Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.

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# VENMAX DRUGS AND PHARMACEUTICALS LIMITED

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## ROUTE MAP FOR AGM VENUE





*If undelivered please return to :*  
**VENMAX DRUGS AND PHARMACEUTICALS LIMITED**  
H.No.1-140, Rajeswari Ware House,  
Opposite to Sri Convention, Kompally, Quthbullapur,  
Hyderabad, Telangana- 500055