



## VENUS REMEDIES LTD.

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### Premium Coverage

Venus Remedies has shown great results from April 2020 to March 2021. Now it's time to take **EXIT** route from the company since there are consistent losses and debt obligation (matter in NCLT, Chandigarh). Promoters have to allegedly pledged its shareholding to raise funds.

RITIK GUPTA: 20<sup>th</sup> May 2021



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**V**enus Remedies Ltd is research and development driven pharmaceutical manufacturing company. Among the top 50 Indian Pharma companies of India, the company has outpaced most Indian pharmaceutical companies in its growth and value creation over the past few years. The company has two manufacturing locations in India and one in Germany. Venus is top class manufacturer of Oncological and Cephalosporin Injectable products following EU-GMP norms for all its activities. Venus has a broad range of products catering to critical care segment in parenteral like cephalosporins, carbapenems and oncology drugs in lyophilized form, infusions and small volume parenteral. The research team of Venus has proved itself to be a power house of innovation by filing many international patents for sophisticated formulations of anti-biotics and oncological therapeutics. Pawan Chaudhary says, **“Our capex plan is approximately Rs. 2bn over the next four years which shall be funded from internal accruals.”** Earnings from specialty drugs have just begun. Venus has a lot of scope for multi-year gains because of the increase in capacity of production with change in process of producing it rather than doing capital expenditure. It is now selling more specialty drugs than before the pandemic.

# COMPANY BACKGROUND

## Company Details

<b>CIN</b>	<u>L24232CH1989PLC009705</u>
<b>Company Name</b>	VENUS REMEDIES LIMITED
<b>Company Status</b>	Active
<b>ROC</b>	ROC-Chandigarh
<b>Registration Number</b>	9705
<b>Company Category</b>	Company limited by Shares
<b>Company Sub Category</b>	Non-govt company
<b>Class of Company</b>	Public
<b>Date of Incorporation</b>	15 September 1989
<b>Age of Company</b>	31 years, 8 month, 2 days
<b>Number of Employees</b>	900

## Directors of Venus Remedies Limited

DIN	Name	Designation	Date of Appointment
00435503	<b>PAWAN CHAUDHARY</b>	Managing Director	15 September 1989
00435834	<b>MANU CHAUDHARY</b>	Wholetime Director	10 October 2005
01492035	<b>DR GILBERT WENZEL</b>	Director	26 December 2005
00440361	<b>PEEYUSH JAIN</b>	Wholetime Director	28 September 1994
08068504	<b>PRAVINDRA SINGH CHAUHAN</b>	Director	13 February 2018
08532224	<b>BRIJ MOHAN SHARMA</b>	Director	13 August 2019
01336895	<b>ASHUTOSH JAIN</b>	Wholetime Director	01 May 2007
00449766	<b>SURESH KUMAR CHADHA</b>	Director	26 December 2005

# MAIN OBJECTIVES OF THE COMPANY

The main objects of the company as set out in its Memorandum of Association are:

1. To manufacture, import, export of intravenous transfusion fluids and formations such as dextrose, dextrose with sodium chloride, normal saline, isolate P, isolate M, isolate G, isolate E, Mannitol etc. in various concentrations, intravenous solution for dialysis purposes, ACD Sterile bottles for blood collections, pharmaceutical parenteral preparations like Aminophylline, Adrenaline, Water for injection, Chloroquine Sulphate, Sodium bi-carbonate, Analgin, Diazepam, Oxyphenbutazone & other injectables.
2. To carry on the business of deriving, formulating, purchasing, producing manufacturing, preparing, processing, missing, compounding, refining, marketing, distributing, selling and trading in pharmaceuticals, Chemicals, cosmetics, perfumes, medicines and drugs of all kinds, specifications and descriptions, and to do so especially in respect of all kinds of analgesics and antipyretics.
3. To carry on the business of purchasing, producing manufacturing, preparing, processing, mixing, compounding, refining, marketing, distributing, selling and trading in all classes and kinds of raw material ingredients, mixtures, compounds and derivatives connected to, intermediate in or associated with the manufacture production and sale of pharmaceuticals, chemicals medicines and drugs.
4. To carry on the business of vialling, bottling, packing. repacking and processing of capsules, syrups, tablets, injectables, aerosoles and ointment, bulk drugs and chemicals.

## TIMELINE OF THE COMPANY

### 2005

- Venus Remedies successfully launches its Brand Ronem.
- Venus Remedies announces Strategic Marketing tie up with M/S Cadila Pharmaceuticals Ltd.
- M/s Themis Medicare Ltd enters into a Strategic Marketing Tie Up with Venus Remedies Ltd.
- Delist equity shares from Delhi, Jaipur & Ahmedabad Stock Exchanges.
- Venus Remedies has entered into Strategic Marketing Agreement with Merck Specialties Pvt Ltd, a wholly owned Subsidiary of Merck Ltd, Darmstadt, Germany, for its Oncology range of products.
- Venus Remedies sets up a wholly owned subsidiary in Germany.

### 2006

- Venus Remedies Ltd has informed that a Company has been granted three prestigious ISO certifications.
- Venus Remedies in-licenses product Technology from USA.

### 2007

- Venus Remedies Ltd has signed an agreement with M/s. Pharma Match R&D B.V. a limited Company based at Amsterdam, Netherlands for jointly preparing, registering and marketing an EU E-CTD Dossier for a latest generation Carbapenem Injectable.

## 2008

- Venus facilities Accredited with European GMP Certification.
- Venus Remedies Ltd has informed that the Company's manufacturing facilities have been approved by the G.F.T.O of Syria for manufacturing and exporting its products to Syria.
- Venus Remedies - European AMP Accreditation for Venus Oncology Facilities.
- Venus Remedies Ltd has informed that the Company has successfully launched its fourth Research Product, a Fixed Dose Combination of Cephalosporin with aminoglycoside under the Brand name TOBRACEF in Domestic Market for the first time globally.

## 2009

- Venus Remedies - Product Patent for TOBRACEF granted in South Africa.
- Venus Bags Another Product Patent from South Africa for POTENTOX.
- Registered Office of the Company has been shifted from SCO 39, Sector 26, Chandigarh. to SCO 857, C. No. 10, IInd Floor, NAC Manimajra, Chandigarh - 160 101.

## 2010

- Venus Remedies Ltd, a fast-growing pharmaceutical company in the country, has launched MEBATIC, a unique antibiotic combination in infusion form to cure severe gastro intestinal (GI) infections.
- Venus Remedies receives GMP Certification from Botswana.
- Venus Remedies ties up with IMTECH and Panjab Unit to develop Typhoid detection kits.
- The Company has received approval from the Reserve Bank of India for rollover of FCCB USD 5mn, with YTM @4% with maturity till February 15, 2015.
- Venus Remedies research Blockbuster Sulbactomax gets European Union Patent.

## 2011

- Venus Remedies Anti-Cancer drug GEMCITABINE gets UK MHRA approval.
- Ibactomax patent from Mexico strengthens Venus Remedies' presence in Latin America.
- Venus Remedies successfully completes Phase I & II Clinical Trials of TUMATREK (VRP162O), cancer detection molecule.
- Venus Remedies Ltd wins Gold Medal for TROIS under DST - Lockheed Martin India Innovation Growth Program 2011.
- Venus launches its patented research product ACHNIL in India.
- Venus Remedies wins India Manufacturing Excellence Award 2011.

## 2012

- Venus Remedies - Venus's ACHNIL, Bio-Spectrum Product of the Year 2012.
- Venus Remedies - Innovative Solution for alleviating cancer.
- Venus Remedies introduces Ready-to-Use Single Vial Taxedol in India.
- Venus Remedies Limited introduced TROIS that is a research based; patent protected topical nano-emulsion product in India.
- The Company has won Manufacturing Award for its world class manufacturing and operational excellence at the Industry 2.0 Manufacturing Innovation Conclave 2012.
- Venus wins Patent award in Silver Category.

## 2013

- Venus Remedies launches Elores - CSE 1034, a US Patent projected product in India.
- Venus Remedies signs MoU for Elores with South African pharmaceutical firm.
- Venus Remedies takes its flagship product, Elores into Latin America.
- Venus launches its first OTC product Ezenus.
- Venus sign Exclusive Marketing Rights deal for its novel Antibiotic Ajuvant Entity to South Africa's second largest Pharmaceutical Company.
- Venus Remedies MEROPENEM receives market authorization in Mexico.
- Venus Remedies Ltd has informed regarding ELORES awarded Gold Medal for being the best Innovation of 2013.
- Venus wins Innovative 100 Award for Elores.
- Venus bags UBM India Pharma Award for Elores.

## 2014

- Venus ties up with Mylan for marketing meropenem in three European countries.
- VMRC Drug VRP008 to Fight MULTI-DRUG Resistant Bacteria Receives European Patent.
- Venus Receives Market Authorization for Meropenem from SWITZERLAND (SWISSMEDIC).

## 2015

- Venus announces issuance of Indian Patent for Vancoplus.
- Venus Remedies holds blood, organ donation camps on its Panchkula premises.

## Q&A by Mr. PAWAN CHAUDHARY (MD)

### 1. Comment on your key products and their market share?

The company's key products include carbapenems (imipenem, cilistatin and meropenem), cardio products (dobutamine, vasopressin, amrinone and milrinone), and oncology products (docetaxel, paclitaxel, gemcitabine, zoledronic Acid, oxaliplatin and topotecan). The Anti-cancer segment contributes 30% and Anti-infective segment contributes approx. 35% of total sales.

### 2. Brief us on your pipeline of products?

We have product pipeline of 25 Research Products in the segment of Anti-Cancer, Anti-Infectives and Orthopedics-related products.

### 3. Tell us about your research centre in Himachal Pradesh? What is the investment?

We have already set up "Venus Medicines research Centre" (VMRC) at Baddi in Himachal Pradesh which is approved by DSIR, Govt. of India. The investment was US\$7mn. The R&D Center is equipped with a state-of-the-art infrastructure and machinery and a team of scientists to conduct researches in discovering safe, cost effective and most efficacious medicines. In today's Pharma industry, R&D is the key word and that is why the company's major focus is to take a visionary lead on research and innovation.

#### 4. What is your share in anti-cancer segment? What is your sales target over next 2 years?

At present, the anti-cancer drug segment is contributing approx 30% of the total sales of the company with more than 300 Market Authorisations from 30 countries including UK, Germany, Poland, Portugal etc. We have recently entered domestic market of Oncology segment with the launch of PASSION ONCOBIZ, which is a new dedicated sub business unit. This special unit has a product basket of 21 products in injectable form for fighting practically all type of cancer. Sales targets for the next two years in anti-cancer segment would be around 35 per cent of total sales.

#### 5. Tell us about your manufacturing units in India and abroad.

The company has a global presence and possesses three manufacturing units and 11 international offices across globe. We have manufacturing units in Panchkula, Haryana Baddi (H.P. (in India and one manufacturing unit in Werne in Germany. It has even created its own R&D Centre, Venus Medicine Researcher Center (VMRC) in Baddi, Himachal Pradesh. The manufacturing facilities are accredited with various national and international certifications.

#### 6. What percentage of revenue comes from international market?

Revenues from international market are approx. 34% of the total sales. Venus is already present in 60 countries and 5 continents across the globe and is exporting to 22 countries. Venus is promoting 52 products across the globe and so far, has launched 36 products in the International Market. New products of Anti-cancer and Carbapenem is under registration in U.K., France, Italy, Germany, Poland, Spain, Switzerland, Netherlands, Sweden, Croatia, Portugal, South Africa, Australia, Mexico, New Zealand and expected to register in this year and then we will launch our products in these markets.

The Company has given 700 product dossiers in Semi-Regulated countries, out of which 310 have been registered and remaining are on the verge of registration. Apart from this, 7 CTD dossiers have been filed in around 26 European countries. Another 3 dossiers are in pipeline for the entire European market.

#### 7. What are your capex plans? How would they be funded?

Our Capex plan is approximately Rs. 2bn over the next four years. This will be funded from internal accruals and banks. The amount would be used for value addition of existing manufacturing plants, Research facilities, infrastructure, creation of CCMB Labs and patents/IPR technologies such as Multi-country clinical trials, Market launches, Dossier Development and patent filings.

#### 8. Your message to the shareholders?

Our message is we are building a Company which will last for long time with the help of dedicated, trained and knowledgeable team of people. We aim to provide most innovative products to the ailing humanity and have world class manufacturing plants and a Global Marketing set-up. In other words, Venus today is going to become a fully integrated company from Research to global market.

## DIRECTOR'S VIEW ABOUT THE ECONOMY



### Vision

We strive to touch the lives of patients by actively listening and responding to their needs with breakthrough innovative products and medical expertise that is critical

in understanding and treatment of diseases.



### **Mission**

We are committed to align the best scientific approaches to develop new solutions for global health challenges. We are actively involved in monetization of IP wealth and building global brands backed by strong scientific evidences.

## **An Economic Overview**

### **Global Economy**

The global economy recorded its lowest growth of the decade in 2019, falling to 2.9% as a result of protracted trade disputes and a slowdown in domestic investment. Growth was trending down throughout the year in virtually all major economies and slowing in all geographic areas except Africa.

This slowdown occurred alongside growing discontent with the social and environmental quality of economic growth amid pervasive inequalities and deepening climate crisis. Amid rising tariffs and rapid shifts in trade policies, business confidence has deteriorated, dampening investment growth across most regions. Outlook for 2020: This has been a year of nightmare not for

businesses alone, but for the entire human race. The Covid-19 pandemic ravaged the world, spelling doom and drawing the civilization to its knees.

The pandemic continues to inflict high and rising human costs worldwide. Protecting lives and allowing healthcare systems to cope, called for isolations, lockdowns, and widespread closures because the spread of the infection had to be checked. The loss in businesses associated with this health emergency and containment measures possibly dwarfed the toll that the two global financial crises had caused. Moreover, the shock isn't over yet. The pandemic has driven the world into a state of severe uncertainty of unknown duration.

### **Indian Economy**

The Indian economy has been going through a rough patch for the last two years with 2019-20 being witness to the steepest slump in economic growth. The country's GDP expansion was revised from 7.5% at the beginning of the fiscal 2019-20 to 4.2% at the close of the year as against 6.1% (revised) a year ago. The slowdown was triggered by a mix of both internal as well as external factors such as a synchronized global slowdown, historically poor automobile sales and diminishing customer confidence.

The situation worsened when most public sector banks were weighed under a huge burden of Non-Performing Assets (NPAs). The NBFC crisis weakened the financial health of the economy further. On the output front, Agri (3.7% growth)

and mining sectors seem to have held forts.

On the expenditure front, government spending seems to have saved the day. Manufacturing and construction threw up poor growth numbers of 0.03% and 1.3% in 2019-20, marking a steep fall from 5.7% and 6.1% in the year-ago period. Amid the turmoil, the year showed a little silver lining with India emerging as the fifth-largest world economy in 2019 with a gross domestic product (GDP) of \$2.94 trillion and improving its position by 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking. India was also among the top 10 recipients of Foreign Direct Investment (FDI) in 2019, attracting \$49 billion in inflows, a 16% increase over the previous year.

### **Indian Pharma Sector**

Rightly called the 'Pharmacy of the World' the Indian pharmaceutical sector supplies over 50% of global demand for various vaccines, 40% of generic demand from the US and 25% of all medicines in the UK. India has truly emerged as a world leader in generics – both

in global as well as in domestic markets – contributing significantly to the rising demand in terms of volume. The Made-in-India drugs supplied to the developed economies like the US, EU and Japan are known for their safety and quality. India accounts for 20% of

global exports in generics. India's pharmaceutical exports stood at \$13.69 billion in 2019- 20 (up to January 2020).

The exports are expected to reach \$22 billion by 2020. The Indian pharma industry has scaled an annual revenue of \$40 billion and aspires to reach \$120-130 billion by 2030 at a CAGR of 11-12%.

India – the home to the world's third-largest pharmaceutical industry by volume – is aiming for an annual revenue of about \$120-130 billion by 2030 from \$37 billion today and, to help it achieve the target, Indian drug makers have set up world-

class capabilities in formulation development.

In this setup, research and development emerges as the biggest business enabler for any pharmaceutical company with a vision to scale newer highs. Venus Remedies has always been intensely focused on its R&D wing, Venus Medicine Research Centre (VMRC), and making heavy investments to be equipped with a strong drug development infrastructure.

## Demand Drivers for Indian Pharma Market

### Accessibility

- Over \$200 billion to be spent on medical infrastructure in the next 10 years.
- Over 160,000 hospital beds expected to be added each year in the next 10 years.
- India's generic drugs account for 20% of global exports by volume, making it the largest provider of generic medicines.

### Acceptability

- Rising level of education to increase the acceptability of pharmaceuticals.
- Patients showing greater propensity to self-medicate, boosting the OTC market.
- Acceptance of biologics and preventive medicine to rise.
- Surge in medical tourism due to increased patient inflow.

### Affordability

- Rising income could drive 73 million households to the middle class over the next 10 years.
- Over 650 million people expected to be covered by health insurance by 2020.
- The government plans to provide free generic medicines to half of the population at an estimated cost of \$5.4 billion.
- Affordable medicines under the Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP) have led to savings of B1,000 crore (\$143.08 million) for Indian citizens in 2018-19.

### Epidemiological Factors

- Patient pool expected to increase over 20% in the next 10 years, mainly due to rise in population.
- New diseases and lifestyle changes to boost demand.
- Increasing prevalence of lifestyle diseases.



# GROWTH IN PRODUCTIVITY

## 1. Higher Production Volume:

Antibiotics recorded a surge in volumes. Venus addressed an increasing demand in the market for some therapeutic products by leveraging its advanced manufacturing technology.

## 2. Improved Productivity:

The Company adopted a host of measures to step up its productivity in certain segments. In some products, the R&D wing achieved success by tweaking the chemistry, in some case, the manufacturing department changed the batch size, and automation helped in some instances. There were a number of other initiatives too that worked effectively, by changing the chemistry.

### By Changing the Chemistry

Product	Improvement in Productivity
Meropenem for Injection	14%
Imipenem & Cilastatin for Injection	32%
Enoxaparin Injection	66%
Docetaxel Injection	43%

### By Changing the Batch-Size

Product	Improvement in Productivity
Zoledronic Injection	50%
Azithromycin Injection	80%
Gentamycin Injection	70%

### By Balancing and Automation

Product	Improvement in Productivity
All dry powders	10% (Through automation of labeling machine for visual inspection)

### By Other Methods

- Chiller installation
- Energy-saving motor installation
- Installation of lyophiliser for general products
- HPLC installation

## 3. Cost Optimisation:

Venus took a host of initiatives during the year under review to cut down on costs. The Company installed cameras to check printed labels. It helped reduce rejection by up to 2%. A high-volume Lyo increased the capacity which directly helped improve the product quality and reduce waste by 3%. Taking the mission ahead, the Company asked its vendor to improve the seal quality. This also translated into reduction of waste due to dented seals by 2%. An RO membrane was installed to reduce water wastage by 3%. In the energy segment, the Company cut down on its consumption through a number of measures. On the packaging front, the Company shifted most products to automated Cartonator machine to reduce manual interventions of products. It also introduced thermocol sheet in place of bubble sheet in packaging.

Areas	Energy Consumption/Cost Saving
Replacement of CFL by LED light	₹84,000 per month
Briquette boiler in place of diesel boiler	₹2.84 lakh per month
New Chiller installation	₹2 lakh per month

## 4. Wider Product Spread:

Venus Remedies introduced four products to the market, covering antibiotic and anti-haematic segments.

Areas	Therapeutic Segment	Production Volume (Units)
Polymixin B Sulphate Injection 500000 IU	Antibiotic	10,000
Ronem Forte -2000 mg	Antibiotic	10,000
Methylcobalamine Injection 500 mg	Anti-haematic	20,000
Methylcobalamine Injection 1500 mg Complex	Anti-haematic	20,000

## 5. Introducing Automation

Venus Remedies beefed up its IT infrastructure with upgrade and introduction of more advanced technologies to replace manual labor with automation. The Company embarked on automation to make the report preparing process more efficient and flawless, while securing the data at the same time.

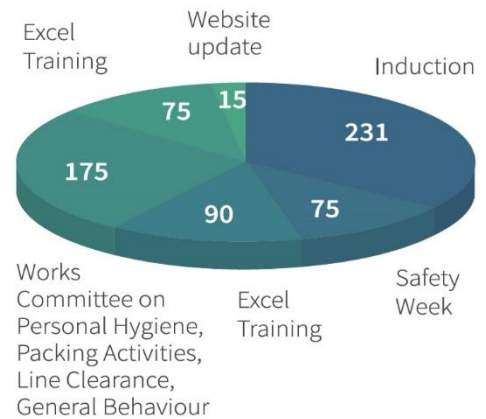
## HUMAN RESOURCE DEVELOPMENT



People constitute one of the biggest and most vital capitals for Venus Remedies. The Company believes that an able and motivated workforce is one of the most significant growth drivers for the business. It invests constantly in upskilling its Employees across the rank and file for a seamless transmission of key strategic decisions of the top management through the various layers of the talent pool till their last-mile execution.

### Upskilling Talent, Upgrading Workforce

The Company conducts tailored programmes for specific operations and levels of work. In 2019-20, a total of 676 people undertook the programmes. The Company organised 42 training programmes for associates inviting external faculties during the year. It held 27 programmes for departmental heads, 15 seminars on labour laws awareness.

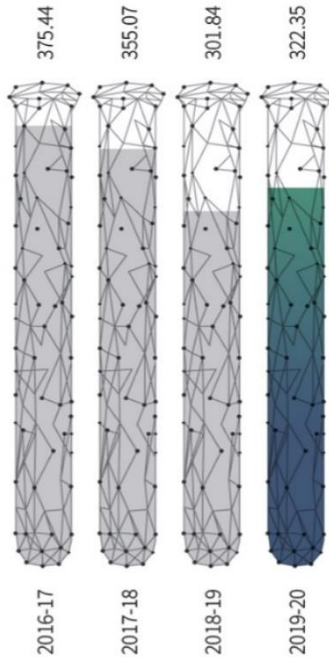


### Building the People Power

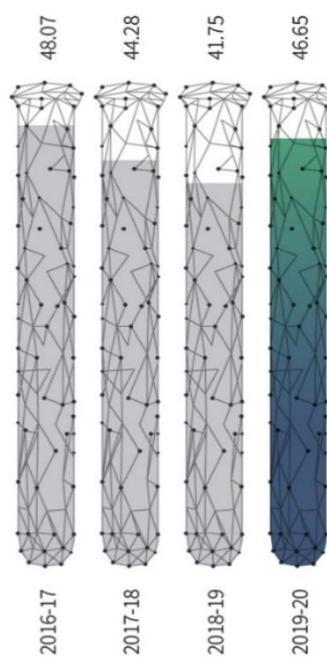
More than 313 employees have spent more than 10 years with the Company, while 134 have been associated with it for at least five years. The Company recruited 231 people during the year under review. The new recruits include 15 women and 216 men. In 2019-20, the Company on-boarded 178 members from portals, while 53 were added to the workforce based on references. A well-structured, transparent and justified performance appraisal system is in place at Venus Remedies.

# FINANCIALS

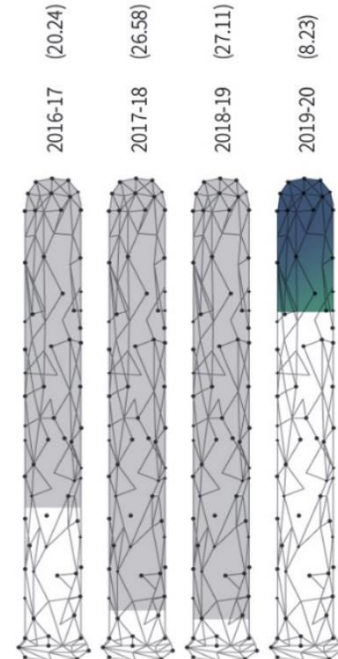
## Revenue from Operations (₹ in crore)



## EBITDA (₹ in crore)



## Net Profit/(Loss) (₹ in crore)



### Significant changes i.e., change of 25% or more in the key financial ratios

In accordance with the amendments notified by SEBI in Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 on 9th May, 2018, the details of significant changes i.e., change of 25% or more in the key financial ratios as compared to the immediately previous financial year.

Ratios	2019-20	2018-19	Change	Reason for Change
Debtors Turnover Ratio	11.13	8.46	2.67	Change in credit period
Inventory Turnover Ratio	2.42	2.26	0.16	No significant change
Interest Coverage Ratio	1.06	0.18	0.88	Decrease in Interest liability
Current Ratio	1.32	1.01	0.31	Decrease in liability
Debt-Equity Ratio	0.42	0.56	(0.14)	Decrease in loan
Operating Profit Margin (%)	4.13	1.44	2.69	Increase in sales/Margin
Net Profit Margin (%)	(2.93)	(8.88)	(5.95)	Increase in sales/Margin
Return on Net Worth (%)	(3.09)	(8.59)	(5.50)	Increase in sales & margin

**Financial Highlights**

₹ In Millions

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Sales & Other Income	3,259.39	3,063.48	3,467.71	3,279.87
Financial Charges	130.45	251.46	133.37	254.05
Depreciation	310.51	329.53	320.12	339.80
Profit before Exceptional items	25.49	-193.01	7.77	-207.65
Profit before Tax	-62.63	-282.62	-80.35	-297.26
Profit After Tax (PAT)	-82.27	-271.11	-99.99	-285.75
Other Comprehensive Income	-4.72	0.697	-4.72	0.697
Total Comprehensive Income for the year	-86.98	-270.41	-104.71	-285.05

**VENUS PHARMA GMBH GERMANY**

Sr No	Particulars	31.03.2020		31.03.2019	
		€ in lakh	₹ in lakh	€ in lakh	₹ in lakh
1	Share capital	0.25	13.89	0.25	19.43
2	Reserves & surplus	(25.52)	(888.33)	(23.29)	(1809.82)
3	Total assets	55.03	4570.06	53.93	4190.14
4	Total Liabilities	55.03	4570.06	53.93	4190.14
5	Turnover	105.71	8496.35	111.34	8814.09
6	Profit before taxation	(2.23)	(177.23)	(1.92)	(146.39)
7	Provision for taxation	NIL	NIL	NIL	NIL
8	Profit after taxation	(2.23)	(177.23)	(1.92)	(146.39)
9	Proposed Dividend	NIL	NIL	NIL	NIL

**Key points of the highlights:**

- Revenue from operations has been increased a little also at the same time operating cost has been reduced to by almost 50%. This is a good sign of improving debt condition of the company.
- Profit before tax (PBT) is still negative. Company is still making loss from 2016 to 2020. But if you look at the figure of loss there has been a sharp decline in the loss by 78%.
- Its wholly owned subsidiary in Germany is also making losses from consecutively 5 years starting from 2016. The PBT is still negative but there is a sharp decline in the loss of the company by 102.2%.
- There is a strain on reserves of the company to run the company. Current year losses of Rs 822.69 lakhs and Rs 47.15, used for operations of the business have been charged from retained earnings. Hence indicating the shortage of working capital in the company.

# BALANCE SHEET

Standalone Balance Sheet at 31st March, 2020

(₹ in lakh)

Particulars	Note No.	Figures as at the end of 31.03.2020	Figures as at the end of 31.03.2019
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant & Equipment	2 (A)	16740.90	18015.64
(b) Capital Work In Progress	2 (B)	2463.10	6476.42
(c) Intangible Assets	2 (C)	10406.37	16673.15
<b>(d) Financial Assets</b>			
(I) Investment	3	13.89	13.89
(II) Other Non Current Financial Assets	4	3157.05	3048.18
(e) Other non - current assets	5	3251.20	3629.37
<b>Total Non- Current Assets</b>		<b>36032.51</b>	<b>47856.65</b>
<b>(2) Current Assets</b>			
(a) Inventories	6	13643.98	14093.70
<b>(b) Financial Assets</b>			
(I) Trade Receivables	7	2977.91	3139.37
(ii) Cash and Cash Equivalents	8	125.78	49.97
(iii) Bank balances other than (ii) above	9	18.26	77.72
(iv) Other Financial Assets	10	55.27	623.62
(C) Current Tax Assets	11	2853.80	2846.11
(D) Other Current Assets	12	2913.87	4528.40
(E) Assets held for sale	13	5200.00	-
<b>Total Current Assets</b>		<b>27788.87</b>	<b>25358.90</b>
<b>Total Assets</b>		<b>63821.38</b>	<b>73215.54</b>
<b>EQUITY AND LIABILITY</b>			
<b>Equity</b>			
(a) Equity Share Capital	14	1234.20	1234.20
(b) Other Equity	15	31991.15	32860.99
<b>Total Equity</b>		<b>33225.35</b>	<b>34095.19</b>
<b>LIABILITIES</b>			
<b>(1) Non-Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(I) Borrowings	16	7226.07	11608.43
(ii) Other Financial Liabilities	17	29.35	45.43
(b) Provisions	18	662.95	532.42
(c) Deferred Tax Liabilities (Net)	19	1684.60	1488.22
<b>Total Non- Current Liabilities</b>		<b>9602.97</b>	<b>13674.50</b>
<b>(2) Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(I) Borrowings	20	8142.34	10891.86
(ii) Trade Payables	21		
(a) Total outstanding dues of micro enterprises and small enterprises		176.19	292.57
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		3220.00	3048.68
(iii) Other Financial Liabilities	22	9354.78	10670.06
(b) Other Current Liabilities	23	39.13	90.83
(c) Provisions	24	60.62	451.86
<b>Total Current Liabilities</b>		<b>20993.06</b>	<b>25445.86</b>
<b>Total Equity and Liability</b>		<b>63821.38</b>	<b>73215.54</b>

Significant Accounting Policies and Notes on Accounts 1 to 51

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

FOR VINOD KUMAR & ASSOCIATES

Chartered Accountant  
FRN: 002304N

For and on behalf of the Board of Directors

# PROFIT & LOSS

Standalone Statement of Profit & Loss for the period ended 31st March, 2020

(₹ in lakh)

Particulars	Note No.	For the Period Ended 31.03.2020	For the Period Ended 31.03.2019
I Revenue from operations	25	32,235.97	30184.17
II Other Income	26	357.92	450.67
III Total Revenue (I +II)		<b>32,593.89</b>	<b>30634.84</b>
IV Expenses:			
Cost of materials consumed	27	17,059.69	18976.39
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	28	621.14	(798.05)
Employee Benefit Expenses	29	3,378.78	3026.11
Finance Costs	30	1,304.57	2514.62
Depreciation and Amortization Expenses	31	3,105.14	3295.26
Selling, Manufacturing & Administration Expenses	32	5,444.43	4085.33
Research & Development Expenses	33	1,425.23	1465.30
Total Expenses (IV)		<b>32,338.98</b>	<b>32564.97</b>
V Profit before exceptional items and Taxes	(III - IV)	<b>254.91</b>	<b>(1930.13)</b>
VI Exceptional Items	34	(881.21)	896.06
VII Profit before Taxes		<b>(626.30)</b>	<b>(2826.19)</b>
Income Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		196.39	(115.11)
VIII Net Profit/(Loss) for the period		<b>(822.69)</b>	<b>(2711.08)</b>
IX Other Comprehensive Income			
(i) Items that will not be classified to Profit & loss accounts net of Income tax		(47.15)	6.97
(i) Items that will be classified to Profit & loss accounts net of Income tax		-	-
Total Comprehensive income for the period		<b>(869.84)</b>	<b>(2704.11)</b>
X Earning per equity share:			
(1) Basic		(6.67)	(21.97)
(2) Diluted		(6.67)	(21.97)

Notes and Significant Accounting Policies referred to above and annexed there to form an Integral part of Statement of Profit & Loss. This is the Statement of Profit & Loss referred to in our Report of even date.

FOR VINOD KUMAR & ASSOCIATES

Chartered Accountant  
FRN: 002304N

For and on behalf of the Board of Directors

# CASH FLOW

STANDALONE STATEMENT OF CASH FLOW for the period ended 31st March, 2020

Sr. No	PARTICULARS	Figures as at the end of 31.03.2020	Figures as at the end of 31.03.2019
A)	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before tax & exceptional items	254.91	(1,930.13)
	Adjustment for Depreciation	3,105.14	3,295.26
	Interest Expense	1,141.46	2,206.12
	Increase in long term provision for gratuity and leave encashment	83.38	89.63
	Provision for doubtful debts	-	294.70
	Adjustment reversing effect on profit of non-cash non-operating activities		175.15
	Exchange Fluctuation	(258.39)	(111.89)
	Interest Received	(33.08)	(29.03)
	Operating Profit before working capital changes	4,293.42	3,989.80
	Adjustments for increase /decrease in Current Assets	3,044.76	(1,932.18)
	Decrease / Increase in Current Liabilities/ Provisions	(1,066.91)	2,307.16
	Extraordinary items	1,444.00	
	<b>Net Cash Flow from operating activities (A)</b>	<b>7,715.27</b>	<b>4,364.78</b>
B)	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase/Sale /Impairment of PPE	(766.36)	(991.31)
	Interest Received	33.08	29.03
	Proceeds from loans and advances	269.29	(164.95)
	<b>Net Cash Flow from Investing Activities (B)</b>	<b>(463.99)</b>	<b>(1,127.23)</b>
C)	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Security Deposit (Net )	(16.08)	(4.79)
	Proceeds from Term Loan ( Net)	(3,327.87)	(431.77)
	Proceeds from Short term Borrowing( Net)	(2,749.52)	(830.83)
	Interest Expense	(1,141.46)	(2,206.12)
	<b>Net Cash from Financing Activities (C)</b>	<b>(7,234.93)</b>	<b>(3,473.51)</b>
	<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>16.35</b>	<b>(235.96)</b>
	Cash & Cash Equivalents as at 31.03.2019	127.69	
	Cash & Cash Equivalents as at 31.03.2020( Refer Note No. 8 – 9 )	144.04	
	Cash & Cash Equivalents as at 31.03.2018		363.65
	Cash & Cash Equivalents as at 31.03.2019		127.69

FOR VINOD KUMAR & ASSOCIATES

Chartered Accountant  
FRN: 002304N

**(Mukesh Dadhich)**  
Partner  
M. No. 511741

PLACE : PANCHKULA  
DATE : 21.08.2020

For and on behalf of the Board of Directors

**(Peeyush Jain)**  
Deputy Managing  
Director  
DIN: 00440361

**(Pawan Chaudhary)**  
Chairman cum  
Managing Director  
DIN: 00435503

**(Neha Kodan)**  
Company Secretary

**(Ajeet Kapoor)**  
CGM Accounts

# BALANCE SHEET

Consolidated Balance Sheet as at 31st March, 2020

(₹ in lakh)

Particulars	Note No.	Figures as at the end of 31.03.2020	Figures as at the end of 31.03.2019
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant & Equipment	2 (A)	18393.94	19643.93
(b) Capital Work In Progress	2 (B)	2463.10	6476.42
(c) Intangible Assets	2 (C)	10542.99	16801.04
(II) Other Non Current Financial Assets	3	325.50	188.45
(e) Other non - current assets	4	3251.20	3629.37
<b>Total Non- Current Assets</b>		<b>34976.73</b>	<b>46739.21</b>
<b>(2) Current Assets</b>			
(a) Inventories	5	14112.42	14272.54
(b) Financial Assets			
(i) Trade Receivables	6	3069.05	3804.11
(ii) Cash and Cash Equivalents	7	194.24	203.31
(iii) Bank balances other than (ii) above	8	18.26	77.72
(iv) Other Financial Assets	9	144.77	556.55
(C) Current Tax Assets	10	2853.80	2846.11
(D) Other Current Assets	11	3202.63	4783.04
(E) Assets held for sale	12	5200.00	-
<b>Total Current Assets</b>		<b>28795.17</b>	<b>26543.37</b>
<b>Total Current Assets</b>		<b>28795.17</b>	<b>26543.37</b>
<b>Total Assets</b>		<b>63771.90</b>	<b>73282.58</b>
<b>EQUITY AND LIABILITY</b>			
<b>Equity</b>			
(a) Equity Share Capital	13	1234.20	1234.20
(b) Other Equity	14	31102.81	32018.23
<b>Total Equity</b>		<b>32337.01</b>	<b>33252.43</b>
<b>LIABILITIES</b>			
<b>(1) Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	7205.33	11601.80
(ii) Other Financial Liabilities	16	29.35	45.43
(b) Provisions	17	662.95	532.42
(c) Deferred Tax Liabilities (Net)	18	1684.60	1488.22
<b>Total Non- Current Liabilities</b>		<b>9582.23</b>	<b>13667.86</b>
<b>(2) Current Liabilities</b>			
(i) Borrowings	19	8557.59	11280.37
(ii) Trade Payables	20		
(a) Total outstanding dues of micro enterprises and small enterprises		176.19	292.57
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		3493.34	3307.70
(iii) Other Financial Liabilities	21	9494.30	10928.41
(b) Other Current Liabilities	22	70.62	101.38
(c) Provisions	23	60.62	451.86
<b>Total Current Liabilities</b>		<b>21852.66</b>	<b>26362.29</b>
<b>Total Equity &amp; Liability</b>		<b>63771.90</b>	<b>73282.58</b>

Significant Accounting Policies and Notes on Accounts 1 to 52

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

FOR VINOD KUMAR & ASSOCIATES

Chartered Accountant  
FRN: 002304N

(Mukesh Dadhich)  
Partner  
M. No. 511741

PLACE : PANCHKULA  
DATE : 21.08.2020

For and on behalf of the Board of Directors

(Peeyush Jain)  
Deputy Managing  
Director  
DIN: 00440361

(Neha Kodan)  
Company Secretary

(Pawan Chaudhary)  
Chairman cum  
Managing Director  
DIN: 00435503

(Ajeet Kapoor)  
CGM Accounts



# PROFIT & LOSS

Consolidated Statement of Profit & Loss for the period ended 31st March, 2020

(₹ in lakh)

Particulars	Note No.	For the Period Ended 31.03.2020	For the Period Ended 31.03.2019
I Revenue from operations	24	34146.33	32189.29
II Other Income	25	530.77	609.41
III Total Revenue (I +II)		<b>34677.10</b>	<b>32798.70</b>
IV Expenses:			
Cost of materials consumed	26	16845.48	18967.39
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	27	585.52	(771.90)
Employee Benefit Expenses	28	4602.14	4210.21
Finance Costs	29	1333.74	2540.51
Depreciation and Amortization Expenses	30	3201.23	3398.00
Selling, Manufacturing & Administration	31	6606.10	5065.73
Research & Development Expenses	32	1425.23	1465.30
Total Expenses (IV)		<b>34599.44</b>	<b>34875.23</b>
V Profit before exceptional items and Taxes	(III - IV)	<b>77.66</b>	<b>(2076.53)</b>
VI Exceptional Items	33	(881.21)	896.06
VII Profit before Taxes		<b>(803.55)</b>	<b>(2972.58)</b>
Income Tax expense:		-	-
(1) Current tax		-	-
(2) Deferred tax		196.39	(115.11)
VIII Net Profit/(Loss) for the period		(999.93)	(2857.47)
IX Other Comprehensive Income			
(I) Items that will not be classified to Profit & loss accounts net of Income tax		(47.15)	6.97
(I) Items that will be classified to Profit & loss accounts net of Income tax		-	-
Total Comprehensive income for the period		(1047.08)	(2850.50)
X Earning per equity share:			
(1) Basic		(8.10)	(23.15)
(2) Diluted		(8.10)	(23.15)

Notes and Significant Accounting Policies referred to above and annexed there to form an Integral part of Statement of Profit & Loss. This is the Statement of Profit & Loss referred to in our Report of even date.

FOR **VINOD KUMAR & ASSOCIATES**

Chartered Accountant  
FRN: 002304N

**(Mukesh Dadhich)**  
Partner  
M. No. 511741

For and on behalf of the Board of Directors

**(Peeyush Jain)**  
Deputy Managing  
Director  
DIN: 00440361

**(Pawan Chaudhary)**  
Chairman cum  
Managing Director  
DIN: 00435503

# CASH FLOW

Consolidated STATEMENT OF CASH FLOW for the period ended 31st March, 2020

Sr. No	PARTICULARS	Figures as at the end of 31.03.2020	Figures as at the end of 31.03.2019
A)	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before tax & extraordinary items	77.67	(2,076.52)
	Adjustment for Depreciation	3,201.22	3398.00
	Interest Expense	1,166.28	2232.00
	Increase in long term provision for gratuity and leave encashment	83.38	89.63
	Provision for doubtful debts	-	294.70
	Adjustment reversing effect on profit of non-cash non-operating activities	-	175.15
	Exchange Fluctuation	(260.44)	(92.90)
	Interest Received	(33.96)	(24.16)
	Operating Profit before working capital changes	4234.16	3995.89
	Adjustments for increase /decrease in Current Assets	1,106.87	(2,576.31)
	Decrease / Increase in Current Liabilities/ Provisions	915.95	3,113.13
	Extraordinary items	1,444.00	
	<b>Net Cash Flow from operating activities (A)</b>	<b>7700.98</b>	<b>4532.71</b>
B)	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase/Sale of PPE	(778.08)	(992.44)
	Interest Received	33.96	24.16
	Proceeds from loans and advances	269.29	(164.95)
	<b>Net Cash Flow from Investing Activities (B)</b>	<b>(474.83)</b>	<b>(1,133.23)</b>
C)	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Security Deposit (Net)	(16.08)	(4.79)
	Proceeds from term Loans (Net)	(3,344.24)	(449.09)
	Proceeds from Short term Borrowing( Net)	(2,749.52)	(830.83)
	Interest Expense	(1,166.28)	(2,232.00)
	Advance Given	(24.11)	-
	<b>Net Cash from Financing Activities (C)</b>	<b>(7,300.22)</b>	<b>(3,516.71)</b>
	<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(74.08)</b>	<b>(117.23)</b>
	Unrealised Loss/(gain) on foreign currency cash and cash equivalents	5.56	
	Cash & Cash Equivalents as at 31.03.2019	281.02	398.26
	Cash & Cash Equivalents as at 31.03.2020	212.50	281.03

FOR VINOD KUMAR & ASSOCIATES

Chartered Accountant  
FRN: 002304N

**(Mukesh Dadhich)**  
Partner  
M. No. 511741

PLACE : PANCHKULA  
DATE : 21.08.2020

For and on behalf of the Board of Directors

**(Peeyush Jain)**  
Deputy Managing  
Director  
DIN: 00440361

**(Pawan Chaudhary)**  
Chairman cum  
Managing Director  
DIN: 00435503

**(Neha Kodan)**  
Company Secretary

**(Ajeet Kapoor)**  
CGM Accounts

# CHANGES IN EQUITY

STANDALONE STATEMENT OF CHANGES IN EQUITY for the period ended 31st March, 2020

Sr. No	Particulars	31.03.2020		31.03.2019	
		No. of Shares	₹ In lakh	No. of Shares	₹ In lakh
<b>A</b>	<b>Equity Share Capital (Refer Note. 14 )</b>				
	Balance at the beginning of the reporting period	12341988	1234.20	12341988	1234.20
	Changes in equity share capital during the year			-	-
	Balance at the end of the reporting period	12341988	1234.20	12341988	1234.20

## B. Other Equity (Refer Note. 15 )

PARTICULARS	RESERVE AND SURPLUS			OTHER COMPREHENSIVE INCOME	TOTAL OTHER EQUITY
	Securities Premium	General Reserve	Retained Earning	Remeasurement of Net Dues Benefit	
<b>Balance at 01.04.2019</b>	7560.08	21146.30	4154.61	-	32860.99
Profit for the Year			(822.69)		(822.69)
Securities premium collected on share issue					
Movement in other comprehensive income				(47.15)	(47.15)
Movement in retained earnings			(47.15)	47.15	-
Balance at 31.03.2020	7560.08	21146.30	3284.77	-	31991.15

## 38. EARNING PER SHARE (IND AS-33)

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

	(₹ In lakh)	
Profit after Tax	₹ (822.69)	₹ (2711.08)
	No. of shares in lakh as on 31.03.20	No. of shares in lakh as on 31.03.19
Weighted average number of shares in calculating the basic EPS	12.34	12.34
Weighted average number of shares in calculating Diluted EPS	12.34	12.34
Earning per share (Face value ₹ 10 /each)		
Earning per share Basic in ₹	(6.67)	(21.97)
Earning per share Diluted in ₹	(6.67)	(21.97)

**NOTE : 30 FINANCIAL COST**

(₹ in lakh)

Sr. No	Particulars	For the Period Ended 31.03.2020	For the Period Ended 31.03.2019
1	Interest Expenses	1141.46	2206.12
2	Exchange difference as an adjustment to borrowing cost	-	261.26
3	Other Borrowing Cost	163.11	47.24
	<b>Total</b>	<b>1304.57</b>	<b>2514.62</b>

**30.1** The lenders of the company has approved corporate debt restructuring package of the company in financial year 2014-15. However, the company has defaulted in repayment of borrowing to lenders and failed to comply with terms of repayment approved by lenders in corporate debt restructuring package.

**30.2** The company has not provided interest expenses of ₹ 1214.89 lakh for the year ended March 31, 2020 respectively and ₹ 1133.94 lakh for the Financial Year 2018-19 on loans for which interest is not applied by the banks and not reflected in bank statement. The company is in discussion with all the lenders to settle the outstanding dues .

**NOTE: 21 OTHER FINANCIAL LIABILITIES**

(₹ in lakh)

Sr. No	Particulars	Figures as at the end of 31.03.2020	Figures as at the end of 31.03.2019
1	Current Maturities of Long Term debts	6280.75	6915.14
2	Current Maturities of Vehicle Loan Obligation	1.31	1.58
3	Creditors for Capital Expenditure	24.82	48.26
4	Unclaimed Dividends	8.26	15.24
5	Creditor For Expenses	214.00	211.38
6	Employee Dues	328.92	302.43
7	Interest due but not paid	2255.66	3032.22
8	Other Payable	380.58	402.16
	<b>Total</b>	<b>9494.30</b>	<b>10928.41</b>

**43.** The Company has defaulted in the repayment of loans or borrowings to banks which were persisting as on 31 March, 2020 are as under.

(₹ In lakh)

Name of the Bank	Period of Default*			TOTAL	Interest**
	0-1	1-2	2-3		
Amount of default as at the balance sheet date*					
CORPORATION BANK (now Union Bank of India)	241.01	212.61	20.44	474.06	535.98
DENA BANK (now Bank of Baroda)	232.76	165.99	7.87	406.62	-
EXIM BANK	625.57	726	622.40	1973.97	1793.57
SBI	526.13	582.68	14.35	1123.16	11.14

\*Based on Corporate debt restructuring approved by bank.

\*\* Period of default is unascertainable

**NOTE : 34 EXCEPTIONAL ITEMS:**

(₹ in lakh)

Sr. No	Particulars	For the Period Ended 31.03.2020	For the Period Ended 31.03.2019
1	Raw material	-	682.57
2	Packing Material	-	39.93
3	Finished Goods	-	173.55
4	Bank settlement Term Loan & Working Capital (a)	2448.85	-
5	FCCB Interest (b)	686.00	-
6	Impairment of Asset (c)	(4,016.06)	-
	<b>Total</b>	<b>(881.21)</b>	<b>896.06</b>

34.1 Exceptional item stated in the statement which resulted due to one time settlement of Loans & Borrowings with IDBI bank, Impairment loss on Capital work in progress and Reversal of Interest provision of Foreign currency convertible bond of previous years.

34.1(a) During year ending on 31st March 2020, the company has made one time settlement (OTS) with IDBI bank for settlement of outstanding Term and Working Capital loans amounting to ₹ 4813 lakh. The company get a waiver of ₹ 1443 lakh on principal outstanding and ₹ 1004.71 lakh on Interest outstanding.

34.1(b) Interest expense of ₹ 686 lakh on Foreign Currency Convertible Bonds (FCCB) provided for previous years have been reversed in year ended 31st March, 2020.

34.1(c) The capital work in progress consists of new office building under construction. The construction work on the building was stopped in previous years. During the year company has carried out impairment study of capital work in progress. As per the impairment study report, there is impairment loss of ₹ 4016.06 lakh shown in statement of Profit & Loss under Exceptional item on impairment of Capital work in progress.

**Income Tax Default**

Nature of statute	Nature of the dues	Period to which the amount relates	Forum where dispute is pending	Demand Amount (₹ In lakh)	Remarks
Income Tax Act, 1961	Income Tax	AY 2011-12	Commissioner of Income Tax Appeals	16.34	The Disputed demand of ₹ 16.34 lakh was deducted by the Income Tax Department from refund due to the Company.

**INSIGHTS:**

- The lenders of the company have approved corporate debt restructuring package of the company in financial year 2014-15. However, the company has defaulted in repayment of borrowing to lenders and failed to comply with terms of repayment approved by lenders in corporate debt restructuring package.
- The company has not provided interest expenses of Rs 1214.89 lakh for the year ended March 31, 2020 respectively and Rs 1133.94 lakh for the Financial Year 2018-19 on loans for which interest is not applied by the banks and not reflected in bank statement. The company is in discussion with all the lenders to settle the outstanding dues.
- There is a decrease in loss of Rs 2448.85 lakhs due to exceptional items because of the loan waiver received by the company from IDBI bank towards principal and interest payments.

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category & Name of the Shareholders (i)	PAN (ii)	No. of shares older (iii)	No. of fully paid-up equity shares held (iv)	Partly paid-up equity shares held (v)	Nos. of shares underlying Depository Receipts (vi)	Total nos. shares held (vii = iv+v+vi)	Shareholding % calculated as per SCRR, 1957 (viii)	Number of Voting Rights held in each class of securities (ix)			No. of Shares (x)	Shareholding, as a % assuming full conversion of convertible securities (including Warrants) (xi)	Number of Locked in shares (xii)		Number of Shares pledged or otherwise encumbered (xiii)		Number of equity shares held in dematerialized form (xiv)	
								Class X	Class Y	Total			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total shares held (b)		
1	Indian	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	
a	Individuals/Hindu undivided Family	2	233000	0	0	233000	18.88	233000	0	233000	18.88	0	18.88	9000	38.63	233000	100.00	2330000
	Manu Chaudhary	AAL PC54 53C	114300	0	0	114300	9.26	114300	0	114300	9.26	0	9.26	39300	34.38	114300	100.00	1143000
	Pawan Chaudhary	AAL PC54 52D	118700	0	0	118700	9.62	118700	0	118700	9.62	0	9.62	50700	42.71	118700	100.00	1187000
b	Central Government/ State Government(s)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
c	Financial Institutions/ Banks	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
d	Any Other (specify)	1	230000	0	0	230000	18.64	230000	0	230000	18.64	0	18.64	0	0.00	230000	100.00	2300000

**BIGGEST REG FLAG:**

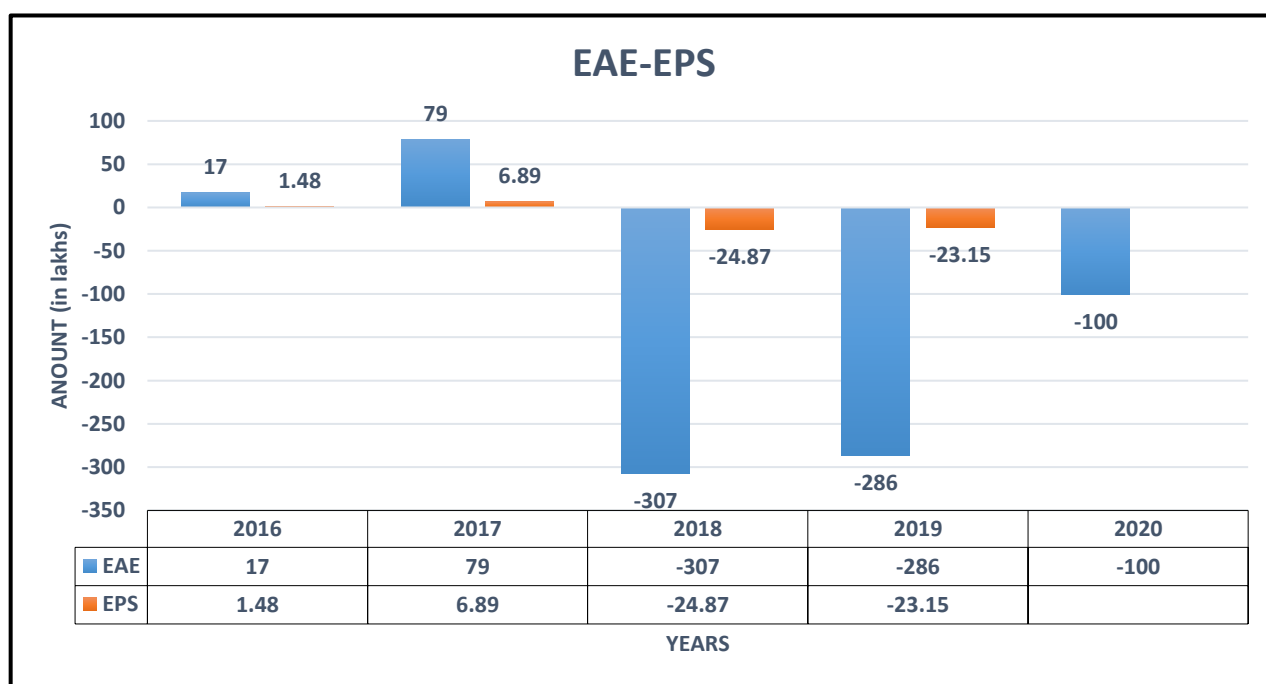
- In FY 2020, shares of the promoters of the company Mr. Pawan Chaudhary and Mrs. Manu Chaudhary and their wholly owned shares of the subsidiary have been pledged in the market.
- Subsidiary by 38.63%, Pawan Chaudhary by 34.38%, Manu Chaudhary by 42.71%

**RATIOS SHOWING MORE THAN 50% CHANGE IN 1 ACCOUNTING YEAR**

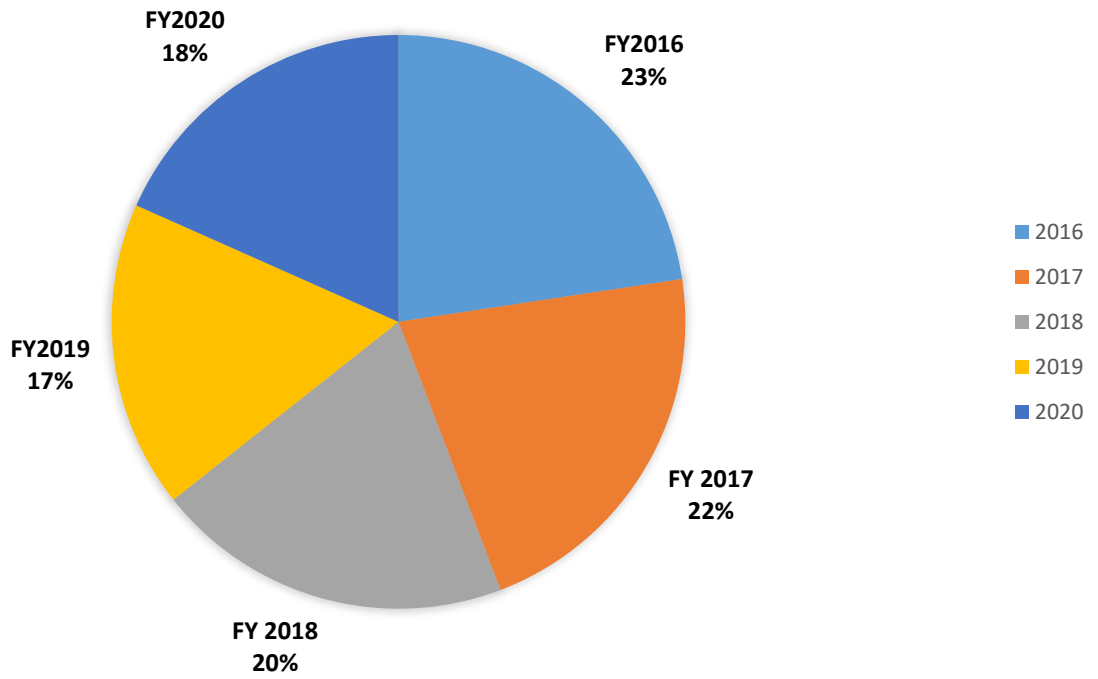
Ratios	2019-20	2018-19	Change	Reason for Change
Debtors Turnover Ratio	11.13	8.46	2.67	Change in credit period
Inventory Turnover Ratio	2.42	2.26	0.16	No significant change
Interest Coverage Ratio	1.06	0.18	0.88	Decrease in Interest liability
Current Ratio	1.32	1.01	0.31	Decrease in liability
Debt-Equity Ratio	0.42	0.56	(0.14)	Decrease in loan
Operating Profit Margin (%)	4.13	1.44	2.69	Increase in sales/Margin
Net Profit Margin (%)	(2.93)	(8.88)	(5.95)	Increase in sales/Margin
Return on Net Worth (%)	(3.09)	(8.59)	(5.50)	Increase in sales & margin

# INCOME STATEMENT

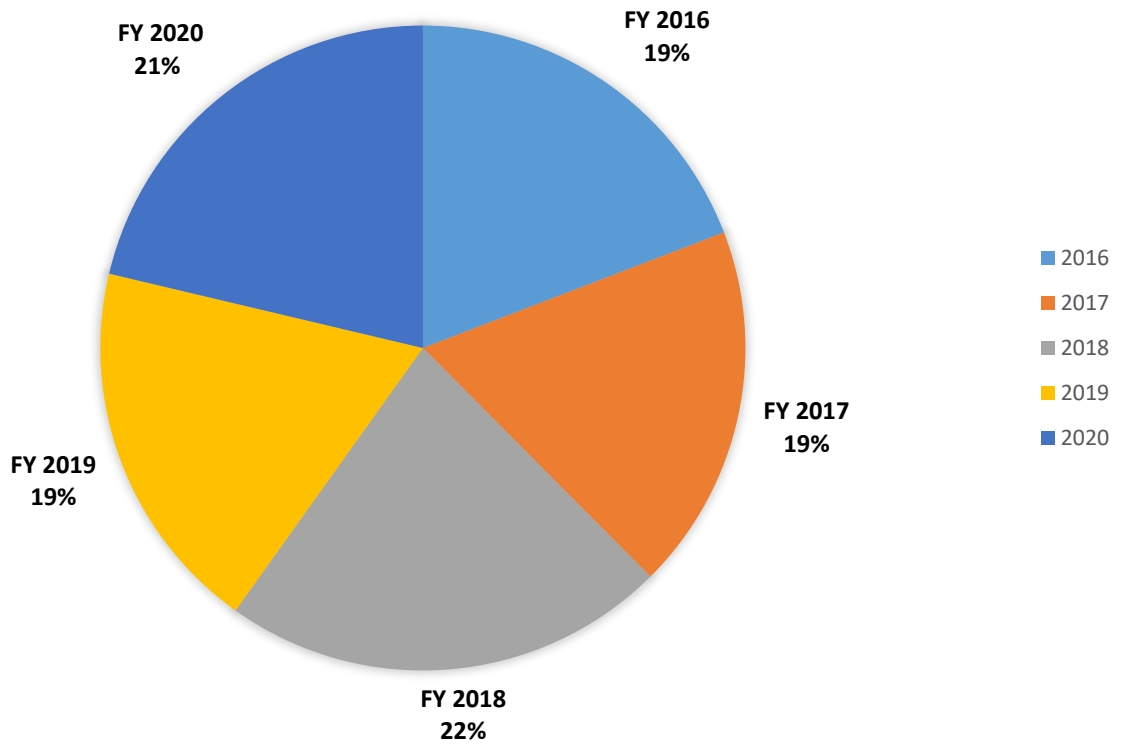
VENUS REMEDIES LIMITED (VENUSREM) INCOME STATEMENT (in lakhs)						
Particulars	2016	2017	2018	2019	2020	TTM
Revenue	4149	3963	3695	3174	3366	5150
Cost of revenue	2468	2365	2139	1924	1849	3106
Gross profit	1681	1598	1555	1250	1517	2044
Operating expenses:						
A) Research and development	107	86	306	147	143	159
B) Sales, General and administrative	427	369	436	371	522	847
C) Other operating expenses	751	778	755	747	765	793
Total operating expenses	1286	1233	1498	1264	1429	1799
Operating income	396	365	58	-15	88	244
Interest Expense	326	341	338	221	117	86
Other income (expense)	-35	18	5	-62	-52	99
Income before taxes	35	42	-275	-297	-80	258
Provision for income taxes	18	-37	32	-12	20	45
Net income from continuing operations	17	79	-307	-286	-100	213
Other income (expense)	0	0	0	0	0	0
Net income available to common shareholders	17	79	-307	-286	-100	213
<b>Earnings per share</b>						
Basic	1.48	6.89	-24.87	-23.15	-8.1	17.24
Diluted	1.48	6.89	-24.87	-23.15	-8.1	17.24
<b>Weighted average shares outstanding</b>						
Basic	11	11	12	12	12	12
Diluted	11	11	12	12	12	12
EBITDA	778	804	401	264	356	667



## REVENUE FROM OPERATIONS



## OPERATING EXPENSE





# RATIO ANALYSIS

## (Intra-Company)

Financials	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	TTM
Revenue INR Mil	3,641	4,098	4,679	5,363	4,635	4,149	3,963	3,695	3,174	3,366	5,150
Gross Margin %	41	44.9	42.5	42.6	40.2	40.5	40.3	42.1	39.4	45.1	39.7
Operating Income INR Mil	715	783	871	949	434	396	365	58	-15	88	244
Operating Margin %	19.6	19.1	18.6	17.7	9.4	9.5	9.2	1.6	-0.5	2.6	4.7
Net Income INR Mil	462	471	573	643	52	17	79	-307	-286	-100	213
Earnings Per Share INR	50.63	51.22	58.8	57.17	4.51	1.48	-14.88	-24.87	-23.15	-8.1	17.24
Dividends INR	3	3	3	3		-	-	-	-	-	-
Payout Ratio % *	-	5.9	5.9	5.1	5.3	-	-	-	-	-	-
Shares Mil	9	9	10	11	11	11	11	12	12	12	12
Book Value Per Share * INR	-	243.19	67.54	331.35	403.43	399.13	354.58	365.91	293.23	266.46	274.08
Operating Cash Flow INR Mil	373	416	521	526	678	469	997	514	453	770	1,196
Cap Spending INR Mil	-144	-77	1,040	-947	-674	-505	-503	-141	-99	-78	-
Free Cash Flow INR Mil	229	339	-519	-420	4	-36	494	373	354	692	1,156
Free Cash Flow Per Share * INR	-	25.08	34.87	-49.23	-36.73	0.33	-3.12	40.01	30.26	42.35	-
Working Capital INR Mil	1,242	164	343	611	709	839	626	333	18	694	-

### Key Highlights:

- Operating Income was Highest in FY 2014 then after that it keeps on falling. Although Gross Margin percent has showed a significant improvement in recent years. This indicates that their operating expenses and administration expenses have increased because revenue was more or less constant.
- Company is making losses since 2016. Hence no dividends.
- Its MPS is Rs 307 as on 20<sup>th</sup> May 2021 and its BVPS is Rs 266.46. Its BVPS < MPS, therefore we can conclude that assets are not enough to back the security.
- Cash flow position seems to be good but again we can see interest expenses outstanding and extraordinary items which includes waiver of loan repayment given by IDBI bank. Liabilities are still outstanding. Therefore, then only company is able to met its working capital requirements.

PROFITABILITY RATIOS											
Margins % of Sales	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	TTM
Revenue	100	100	100	100	100	100	100	100	100	100	100
COGS	59.01	55.12	57.53	57.43	59.79	59.48	59.67	57.91	60.62	54.92	60.31
Gross Margin	40.99	44.88	42.47	42.57	40.21	40.52	40.33	42.09	39.38	45.08	39.69
SG&A	12.62	13.67	6.71	7.99	10.38	10.3	9.32	11.79	11.68	15.51	16.45
R&D	3.53	-	3.42	3.11	2.61	2.58	2.16	8.29	4.62	4.23	3.09
Other	5.21	12.1	13.71	13.78	17.86	18.11	19.64	20.45	23.54	22.71	15.4
Operating Margin	19.64	19.11	18.62	17.7	9.36	9.54	9.21	1.56	-0.46	2.62	4.75
Net Int Inc & Other	-5.18	-6.71	-5.19	-4.82	-8.79	-8.69	-8.15	-9.01	-8.91	-5	0.26
EBT Margin	14.46	12.41	13.43	12.88	0.57	0.85	1.06	-7.45	-9.36	-2.39	5.01

### Key Highlights:

- In FY 2020, company's selling and administration expenses had shoot up by an average of 30%. This major increase in selling and administration expense is due to increase in telephone expenses by more than 50%. In country like India, where telephone expenses are cheap (Post the entry of JIO), the company used to incur around Rs 21.08 lakhs p.a. towards telephone charges but not suddenly in 2020 they have spent Rs 42.88 lakhs towards telephone charges.
- Due to high operating expenses, operating margin of the company is all time low in 10 years. To sustain in the market, now company is dependent upon the increase in volume but with not increase in indirect expenses.
- Low operating margin will put pressure on general reserves and more debt fund raising to meet working capital requirements in the upcoming year.
- EBT margin is negative, which states that company is not earning anything but making losses.

TURNOVER AND COVERAGE RATIOS											
Profitability Ratios	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	TTM
Tax Rate %	12.19	7.42	8.8	6.92	-	51.56	-	-	-	-	17.5
Net Margin %	12.69	11.49	12.25	11.99	1.11	0.41	2	-8.31	-9	-2.97	4.13
Asset Turnover (Average)	0.9	0.79	0.72	0.69	0.55	0.49	0.47	0.47	0.43	0.49	-
Return on Assets %	11.4	9.1	8.87	8.29	0.62	0.2	0.95	-3.89	-3.85	-1.46	-
Financial Leverage (Average)	1.95	1.87	1.89	1.81	1.84	1.93	1.84	2.07	2.2	1.97	1.63
Return on Equity %	22.65	17.3	16.7	15.3	1.12	0.38	1.78	-7.55	-8.23	-3.05	-
Return on Invested Capital %	16.87	17.47	12.83	12.47	3.35	2.94	4.11	-1.24	-1.17	-1.17	-
Interest Coverage	3.79	2.85	3.91	3.76	1.08	1.11	1.12	0.19	-0.34	0.31	4.01

### Key Highlights:

- Company's profits are not adequate to pay interest obligation on time. Interest coverage ratio of the company is less than 1 from past 3 years therefore, it indicates that company is dependent on its reserves for the repayment of interest.
- Return on capital employed is in negative, therefore company is even able to generate favorable earnings before interest and taxes (EBIT). Thus net margin is also negative.
- Return on assets mentioned in the above table is negative indicating that company's assets are not performing well in generating earnings. In previous years there was optimum utilization of the assets and they were able to generate 10% of the earnings on an average.
- In auditor's report there was a declaration by the company that they took loan to construct a building (Capital WIP) for expansion of their activities but the construction was stopped in previous year. During the year company has recognized it as a impairment loss of Rs 4016.06 lakhs and showed it in Statement of Profit & Loss under exceptional items on impairment of capital WIP.

CASH FLOW											
Cash Flow Ratios	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	TTM
Operating Cash Flow Growth % YOY	-	11.58	25.15	0.95	28.8	30.86	112.72	48.42	11.88	69.9	-
Free Cash Flow Growth % YOY	-	48.34	-	-	-	-	-	24.38	-5.18	95.55	-
Cap Ex as a % of Sales	3.97	1.88	22.24	17.65	14.55	12.16	12.71	3.82	3.13	2.31	-
Free Cash Flow/Sales %	6.29	8.29	11.09	-7.84	0.08	-0.86	12.46	10.11	11.15	20.57	22.44
Free Cash Flow/Net Income	0.5	0.72	-0.91	-0.65	0.07	-2.11	6.24	-1.22	-1.24	-6.92	5.43

#### Key Highlights:

- Operating cash flow of the company has shown the significant improvement as compared to the past year but again the factors behind this growth is non-payment of interest obligation, recognition of impairment loss in FY 2020 and waiver received by IDBI bank against both principal and interest of loan which is recognized under exceptional items.
- There is a drastic decrease in general reserves by 86.58% (from Rs 451.86 lakhs to Rs 60.62 lakhs in FY 2020) and there is a sharp decline in trade payables by approximately 30% which is obviously be repaid by general reserves. Thus these 2 activities have increased the cash flow from operations in the company.
- There is a sharp decline in loan and advances given by the company which has resulted in increase in operating cash flow.

#### LIQUIDITY RATIOS

Liquidity	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	TTM
Current Ratio	5.46	1.11	1.18	1.29	1.36	1.43	1.32	1.14	1.01	1.32	1.53
Quick Ratio	2.75	0.48	0.49	0.59	0.61	0.51	0.41	0.34	0.19	0.17	0.24
Financial Leverage	1.95	1.87	1.89	1.81	1.84	1.93	1.84	2.07	2.2	1.97	1.63
Debt/Equity	0.79	0.32	0.34	0.3	0.37	0.44	0.36	0.38	0.35	0.22	0.14

### Key Highlights:

- Looking at the financial position of the company, Current Assets of the company have improved in supporting the Current Liabilities of the company.
- Excess of Current Assets i.e., Rs 6906.51 lakhs will be used to finance working capital requirements of the company.
- Quick ratio is the real indicator of the liquidity position of the company because it does not carry inventories (because they are not easily convertible into cash) while calculating the ratio. We can conclude that most of the current assets are blocked in inventories. Thus, Current Liabilities of the company is not been fully backed by Current assets of the company.
- Company is dependent upon the long-term source of debt to repay its current obligations instead of using Current Assets for the same.
- 2:1 is considered as a good Debt-Equity ratio but still it is dependent upon the nature of industry. Company's debt equity position was always good. It is indicated by the less use of debt capital in the capital structure as compared to the equity share capital. But still the debt obligations are not paid by the company due to poor earnings.
- There is an improvement in financial leverage ratio of a company. The amount of obligation or debt the company has been using to finance its business operations has decreased.

EFFICIENCY RATIOS										
Efficiency	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Days Sales Outstanding	32.1	34	34.21	38.15	50.48	54.89	50.14	46.71	49.05	37.26
Days Inventory	116.7	138.74	152.07	160.15	187.79	211.6	219.11	237.8	266.4	280.18
Payables Period	-	20.28	21.23	29.62	40.04	40.45	42.35	50.38	61.96	71.76
Cash Conversion Cycle	-	152.45	165.06	168.68	198.23	226.05	226.9	234.13	253.49	245.68
Receivables Turnover	11.37	10.74	10.67	9.57	7.23	6.65	7.28	7.81	7.44	9.8
Inventory Turnover	3.13	2.63	2.4	2.27	1.94	1.72	1.67	1.53	1.37	1.3
Fixed Assets Turnover	1.35	1.61	2.1	2.04	1.64	1.47	1.41	1.34	1.19	1.43
Asset Turnover	0.9	0.79	0.72	0.69	0.55	0.49	0.47	0.47	0.43	0.49

### Key Highlights:

- Average payable period of the company has increased by 10 days which is a good sign but in

the end the question remains the same how the company is going to pay without earnings?

- Debtors of the company is less than the creditors. Therefore, creditors will be paid by the retained earnings of the company.
- Inventory turnover is very high. Company is converting its inventory into trade receivables in every 1.43 or 2 days.
- Asset turnover ratio is very low because company is not able to generate sufficient revenues from its assets. The assets are not optimally utilized.
- Cash conversion cycle is very high. The cash conversion cycle (CCC) is a metric that expresses the length of time (in days) that it takes for a company to convert its investments in inventory and other resources into cash flows from sales.

### MARKET INFORMATION

Month	BSE				NSE			
	High	Low	Total Traded Quantity	Sensex	High	Low	Total Traded Quantity	Nifty 50
April 2019	37.35	31.55	103177	39031.55	37.9	31.6	755826	11748.15
May 2019	33.5	27.1	90805	39714.2	33.85	26.95	535306	11922.8
June 2019	31.95	22	38978	39394.64	31.1	21.5	303615	11788.85
July 2019	29.5	19.6	147096	37481.12	29.65	18.8	777718	11118
August 2019	29.4	20.6	246312	37332.79	29.4	20.65	1415098	11023.25
September 2019	25.7	22.1	86454	38667.33	27.4	21.25	403715	11474.45
October 2019	34.85	19.5	484683	40129.05	35.3	19.6	2523672	11877.45
November 2019	26.8	21.5	98146	40793.81	2.45	22	253899	12056.05
December 2019	24.8	21.15	39827	41253.74	24.55	21.5	169608	12168.45
January 2020	25	21.55	40439	40723.49	25.5	21.6	215289	11962.1
February 2020	27.6	22.2	104230	38297.29	27.8	22.1	508683	11201.75
March 2020	35	21.2	209817	29468.49	34.95	20.45	797010	8597.75

## Price to earnings

Median P/E duration: 1 Year ▼



## Price to book

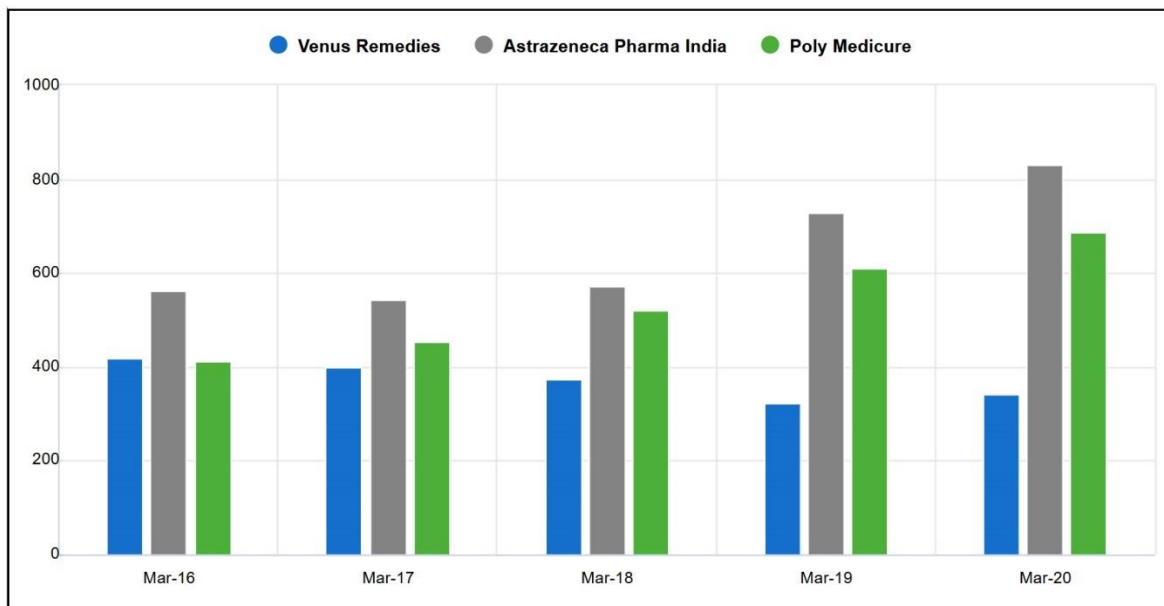
Median P/B duration: 1 Year ▼



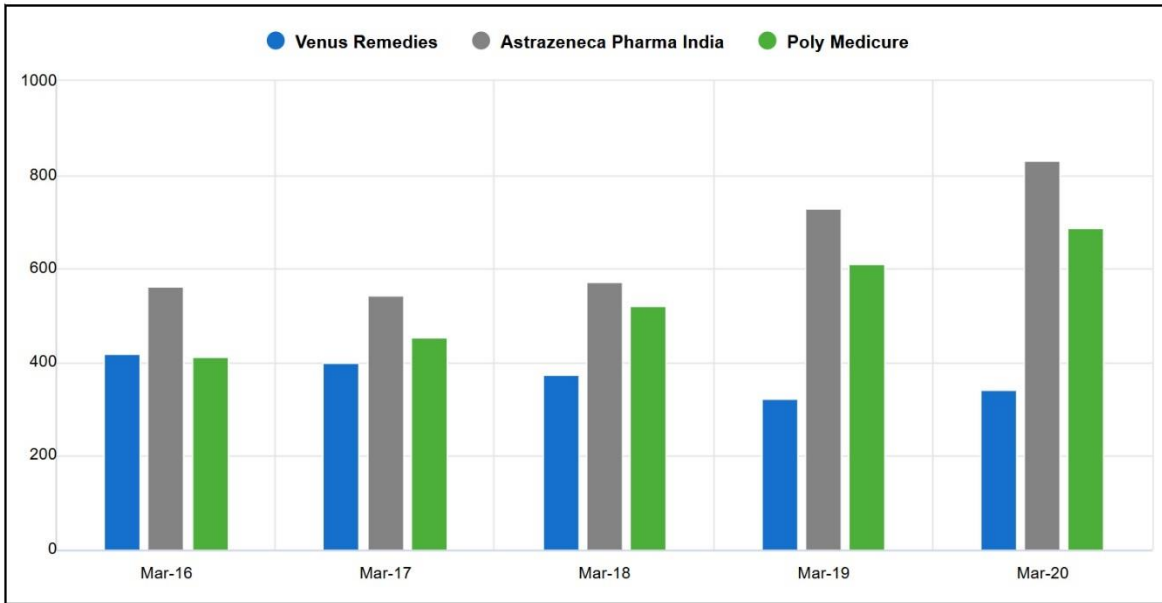
# INTER FIRM COMPARISON

Peer Comparison								
Company Name	Market cap (₹ Cr.)	Revenue (₹ Cr.)	Net Profit (₹ Cr.)	Net Margin (%)	RoE (%)	Price to Earnings	Price to Book	
Venus Remedies	380	520	21.27	3.95	6.43	17.85	1.09	
Astrazeneca Pharma India	9,430	798	75.60	9.31	19.65	124.73	22.13	
Eris Lifesciences	9,721	1,212	355.14	29.10	23.72	27.37	6.17	
Granules India	8,014	3,238	549.46	16.82	26.92	14.58	3.69	
Poly Medicure	10,232	745	116.97	15.35	25.12	85.49	10.99	

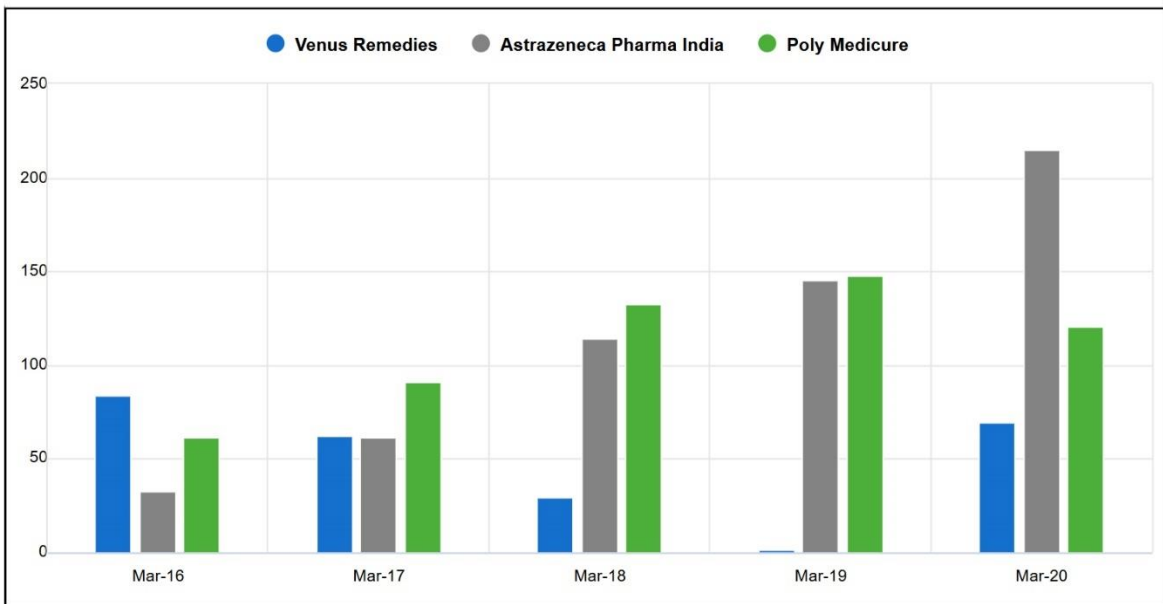
## OPERATING PROFIT



## OPERATING REVENUE

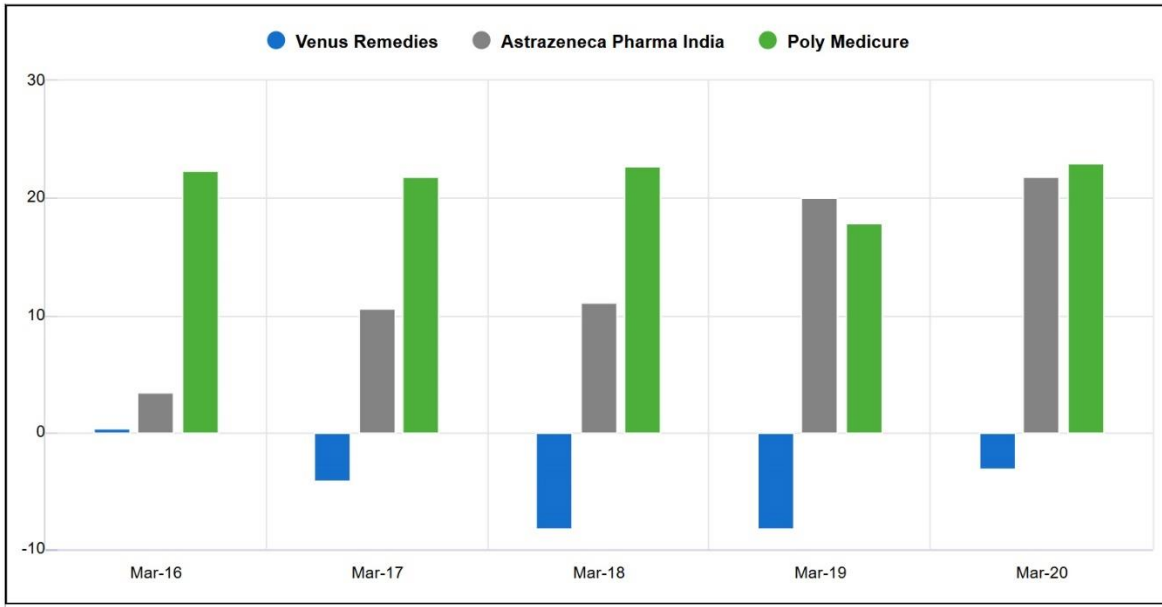


## NET CURRENT ASSETS

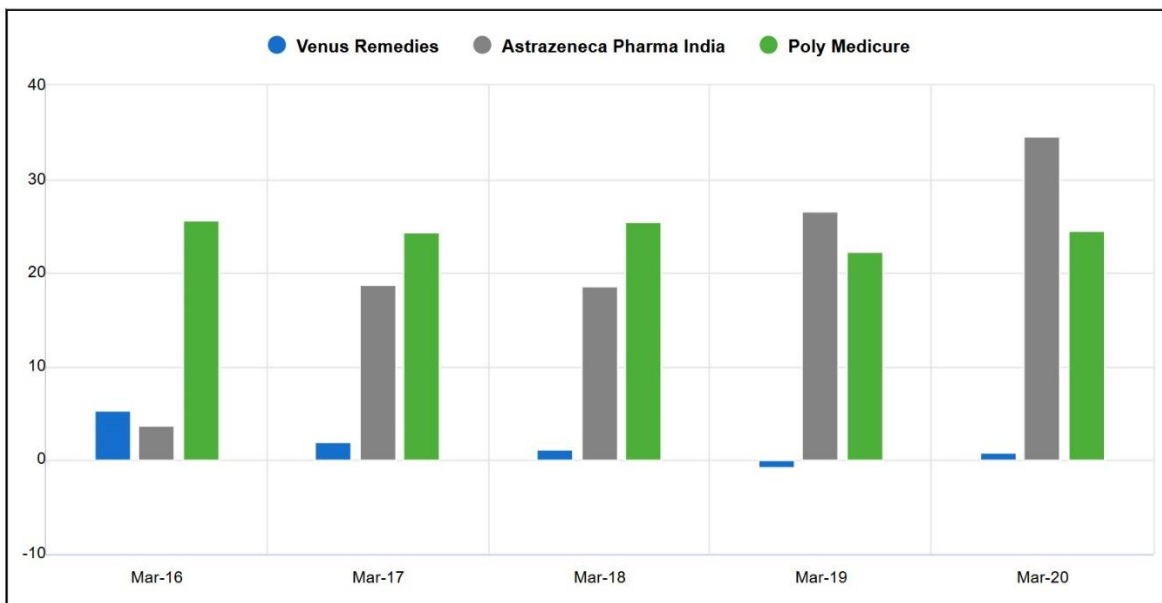




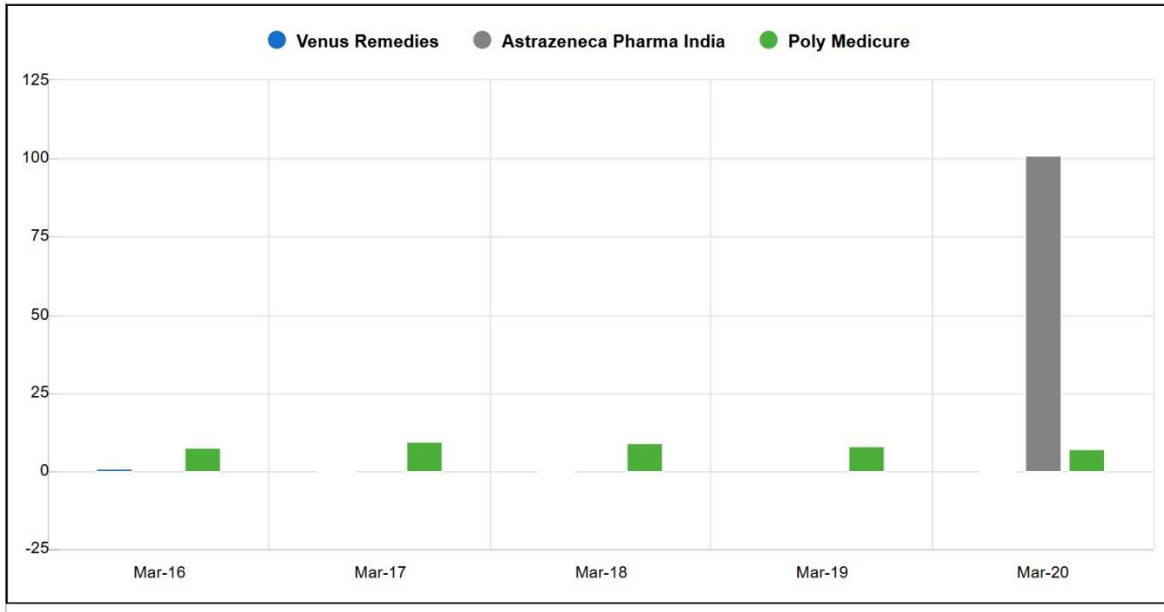
### ROA %



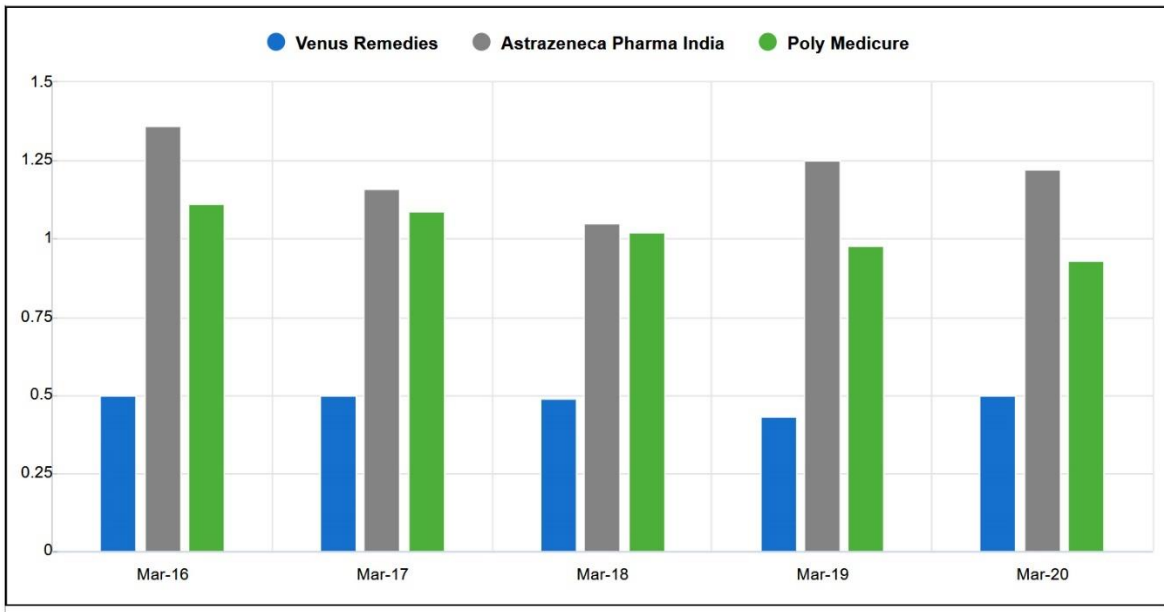
### ROCE %



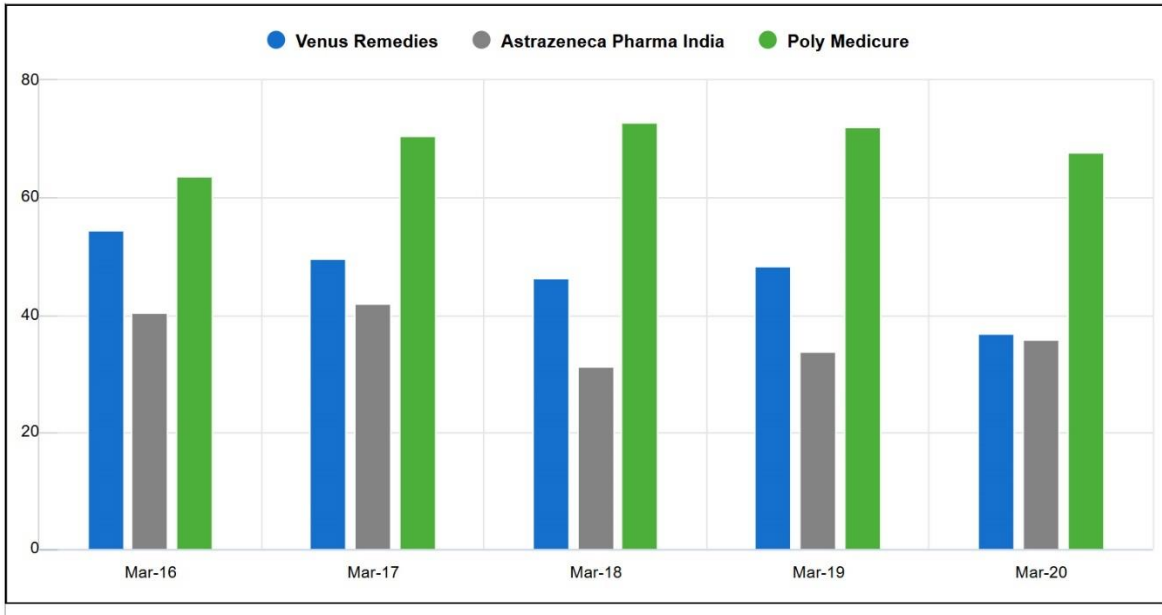
### INTEREST COVERAGE RATIO



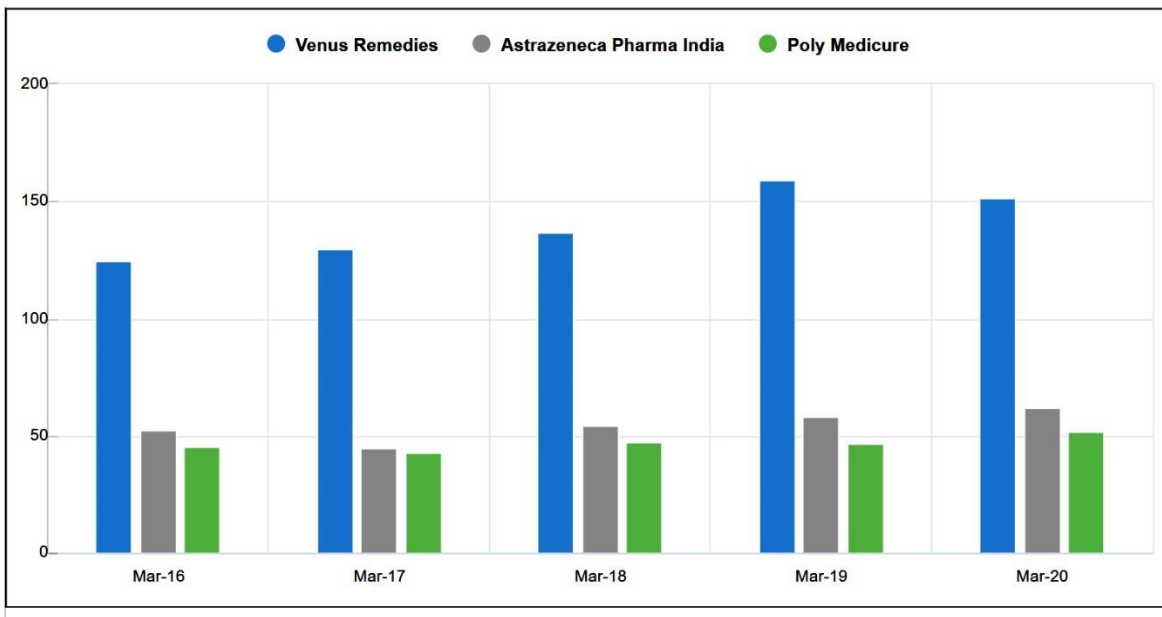
### ASSET TURNOVER RATIO



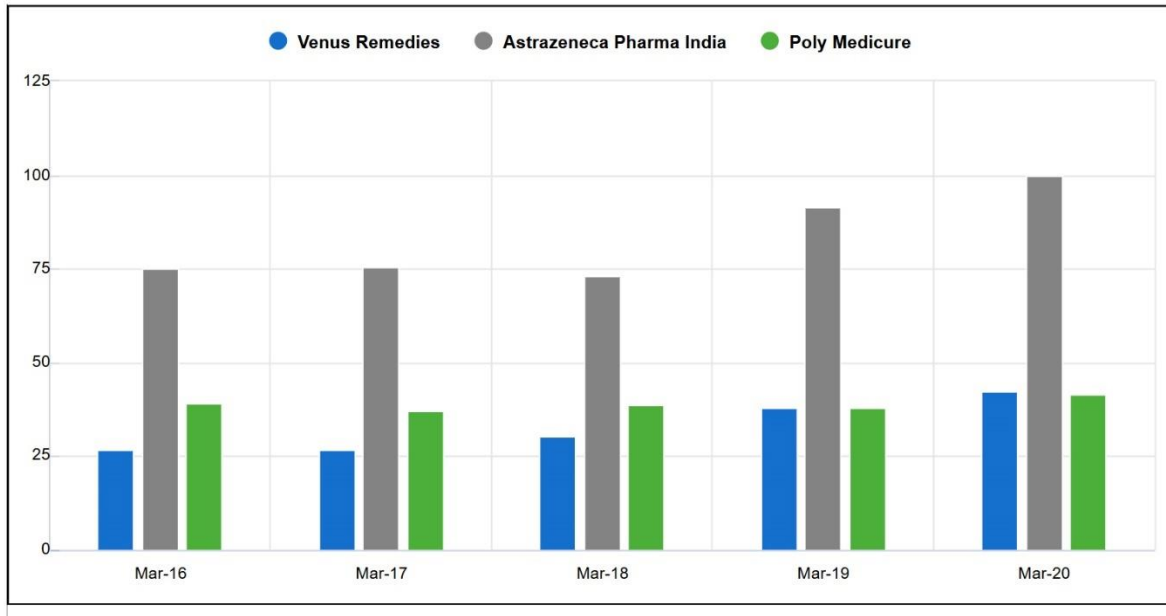
### RECEIVABLE TURNOVER RATIO (in days)



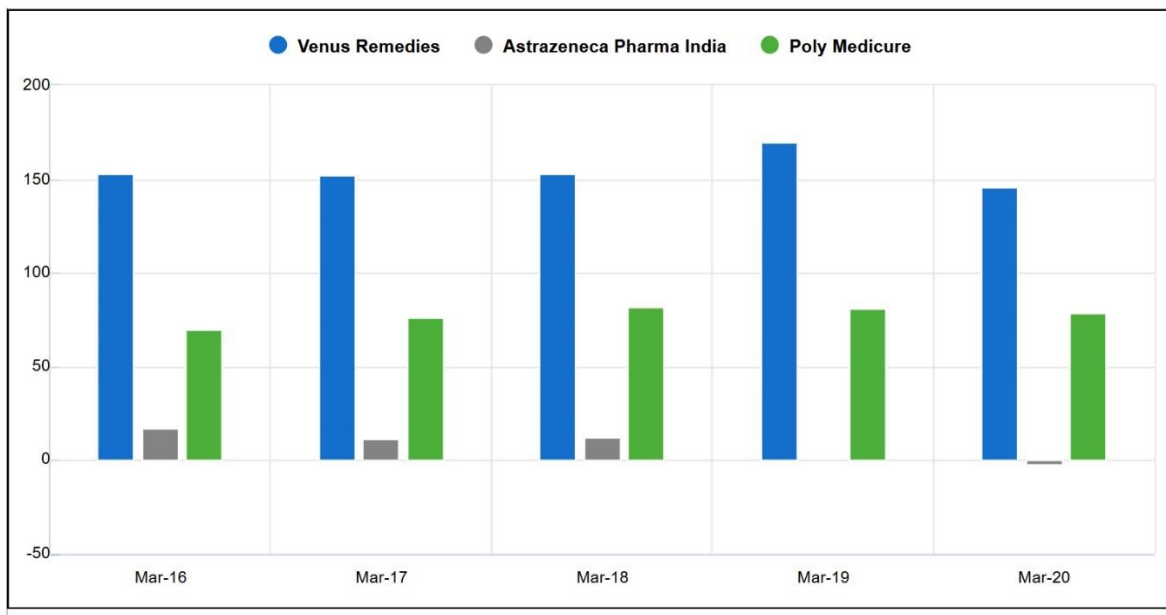
### INVENTORY TURNOVER RATIO (in days)



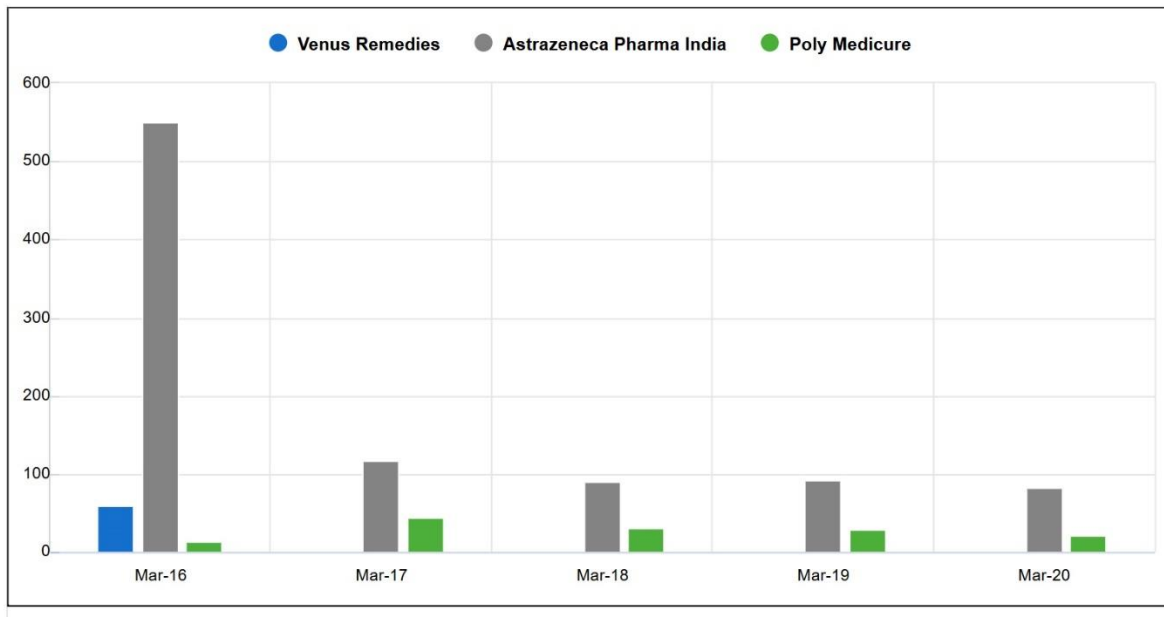
### PAYABLES TURNOVER RATIO (in days)



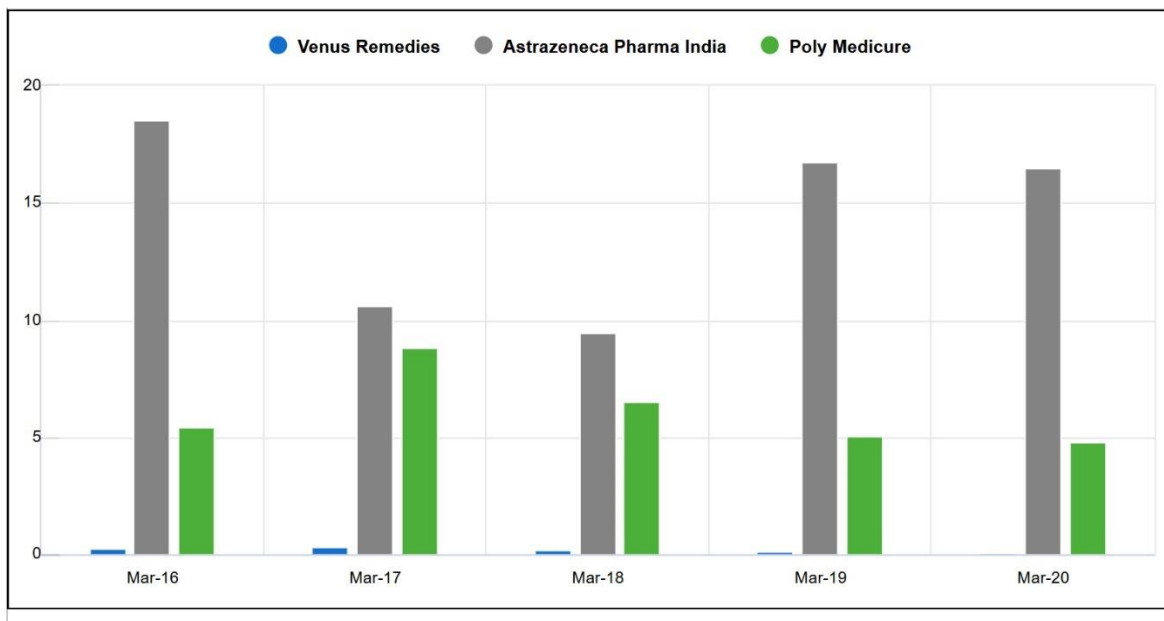
### CASH CONVERSION CYCLE



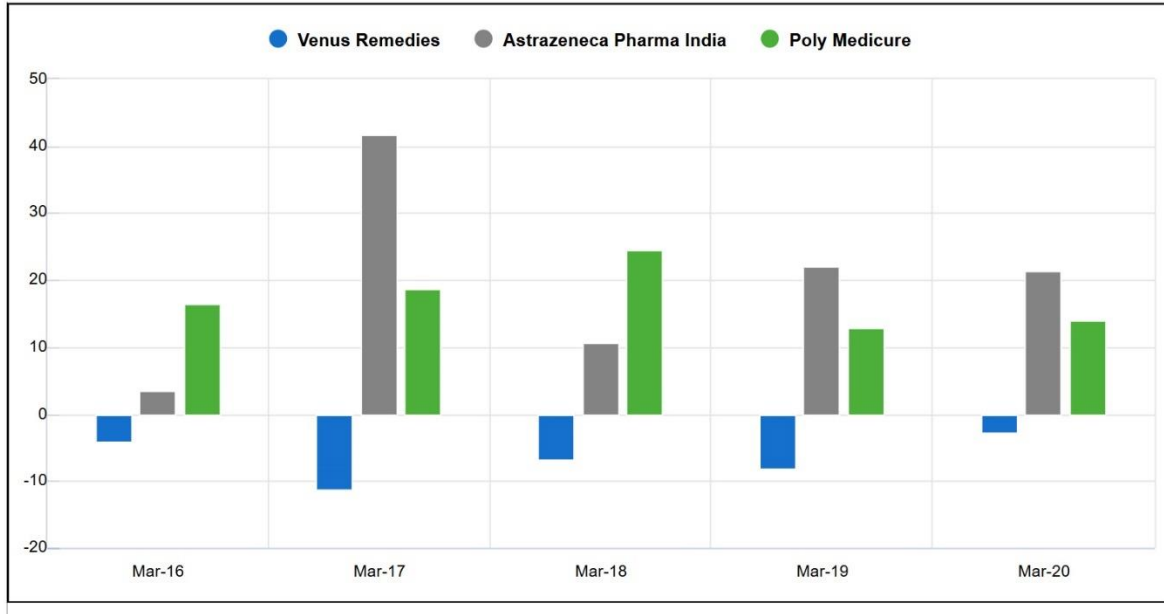
## P/E RATIO



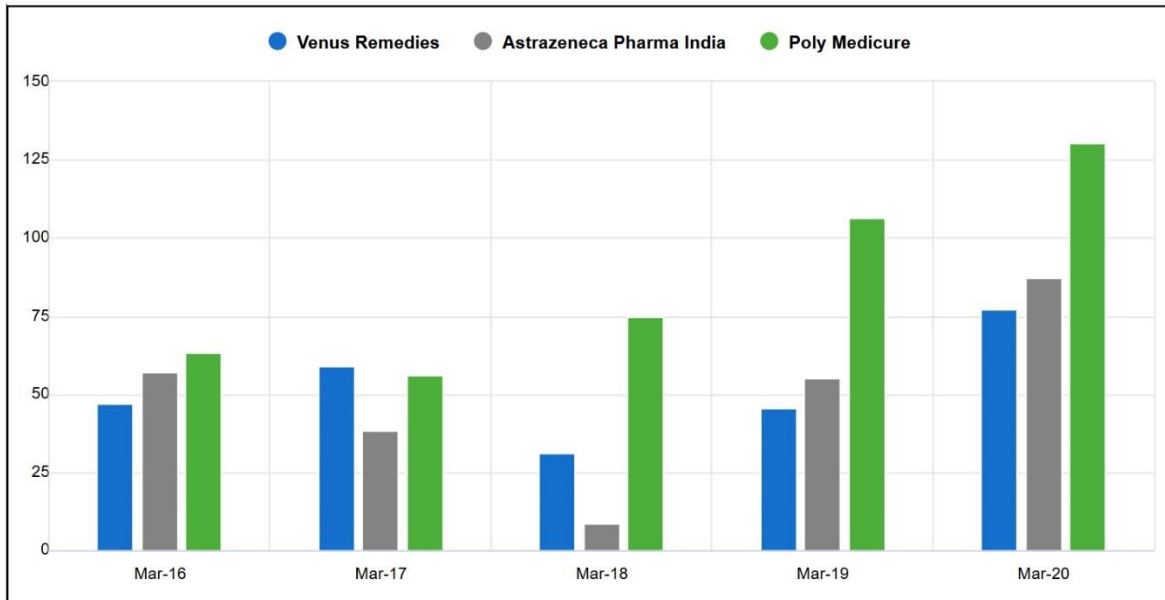
## PRICE TO BOOK VALUE



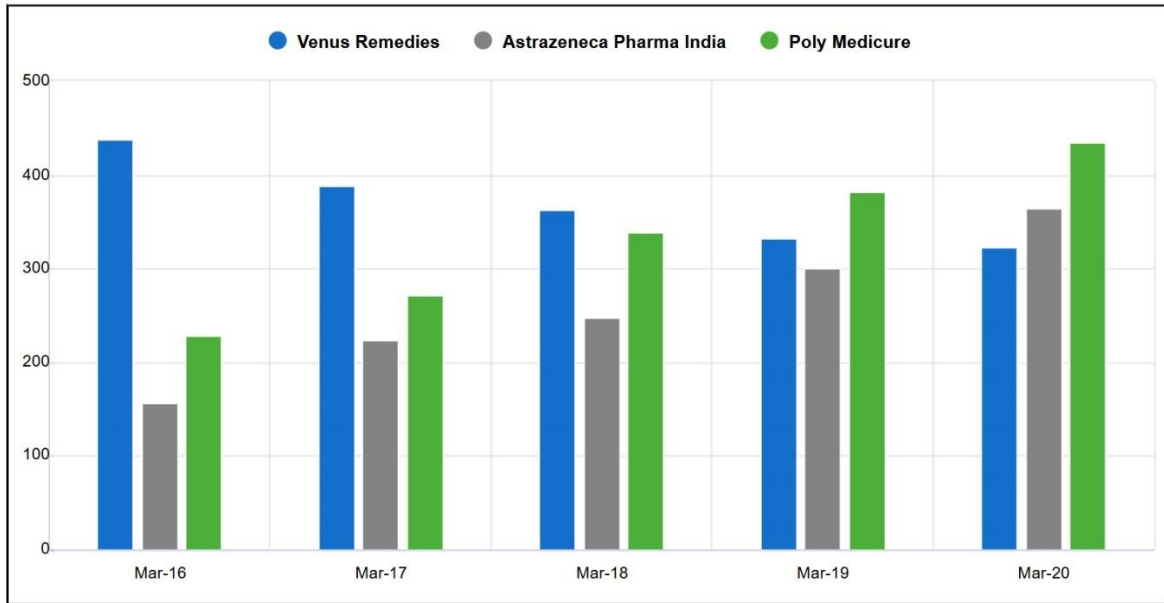
### BOOK VALUE GROWTH %



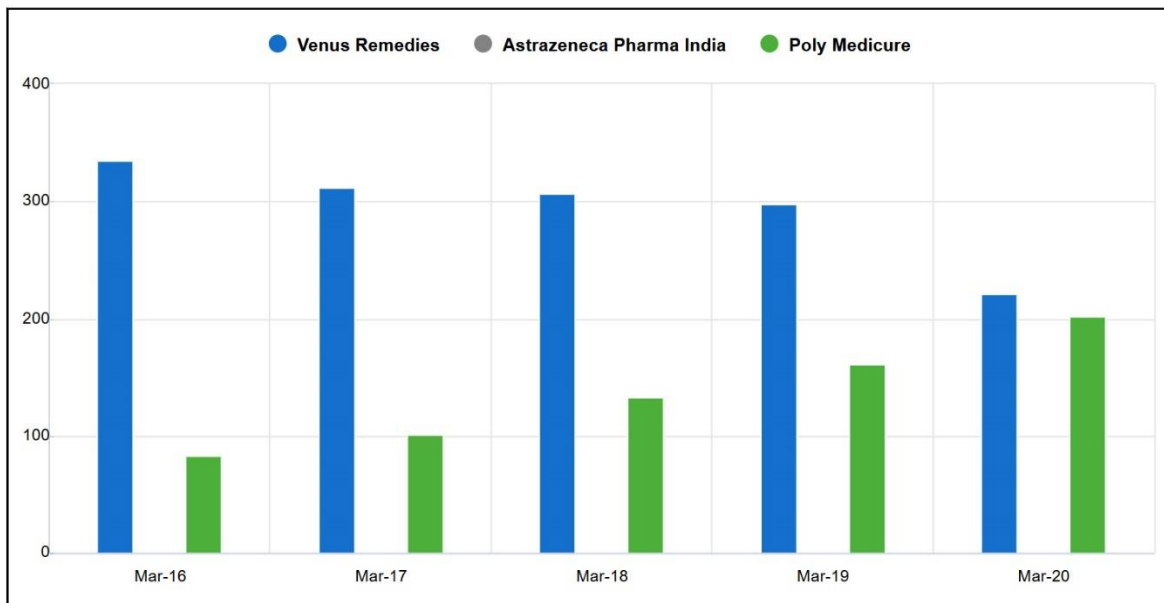
### CASH FROM OPERATIONS



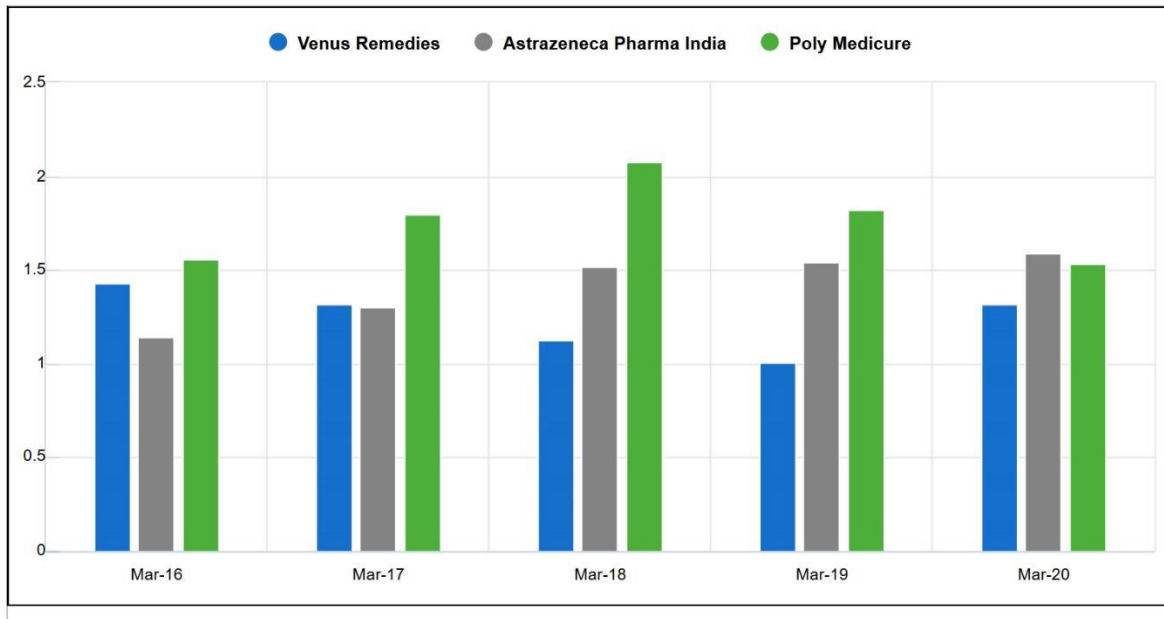
### SHAREHOLDERS FUND



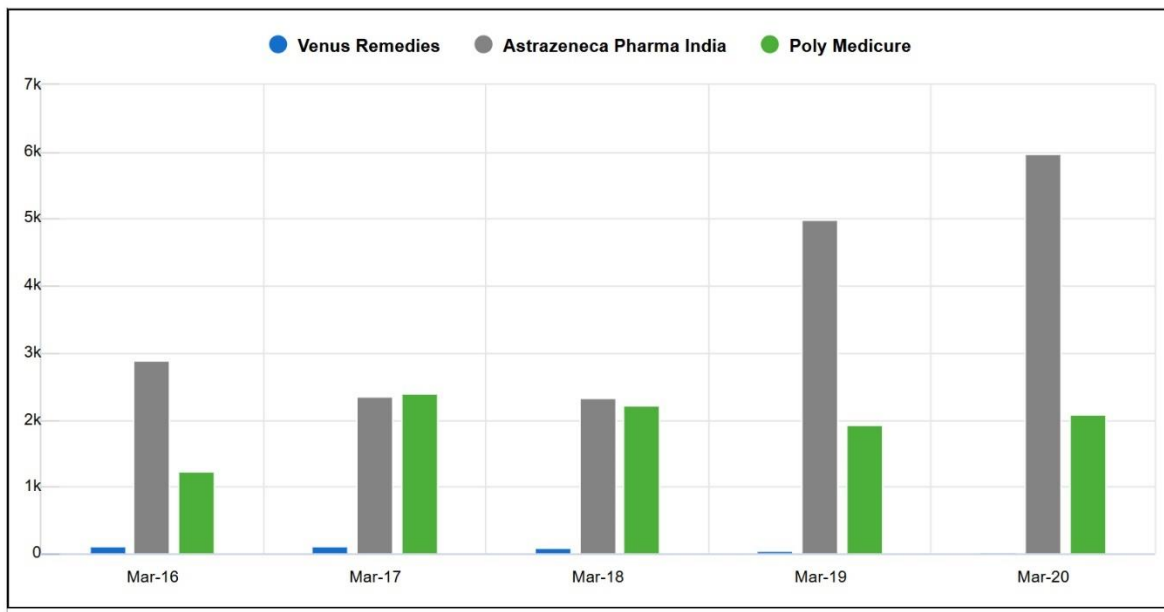
### TOTAL DEBT



### CURRENT RATIO



### MARKET CAPITAL





# NOTES AND FEEDBACK FORM

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